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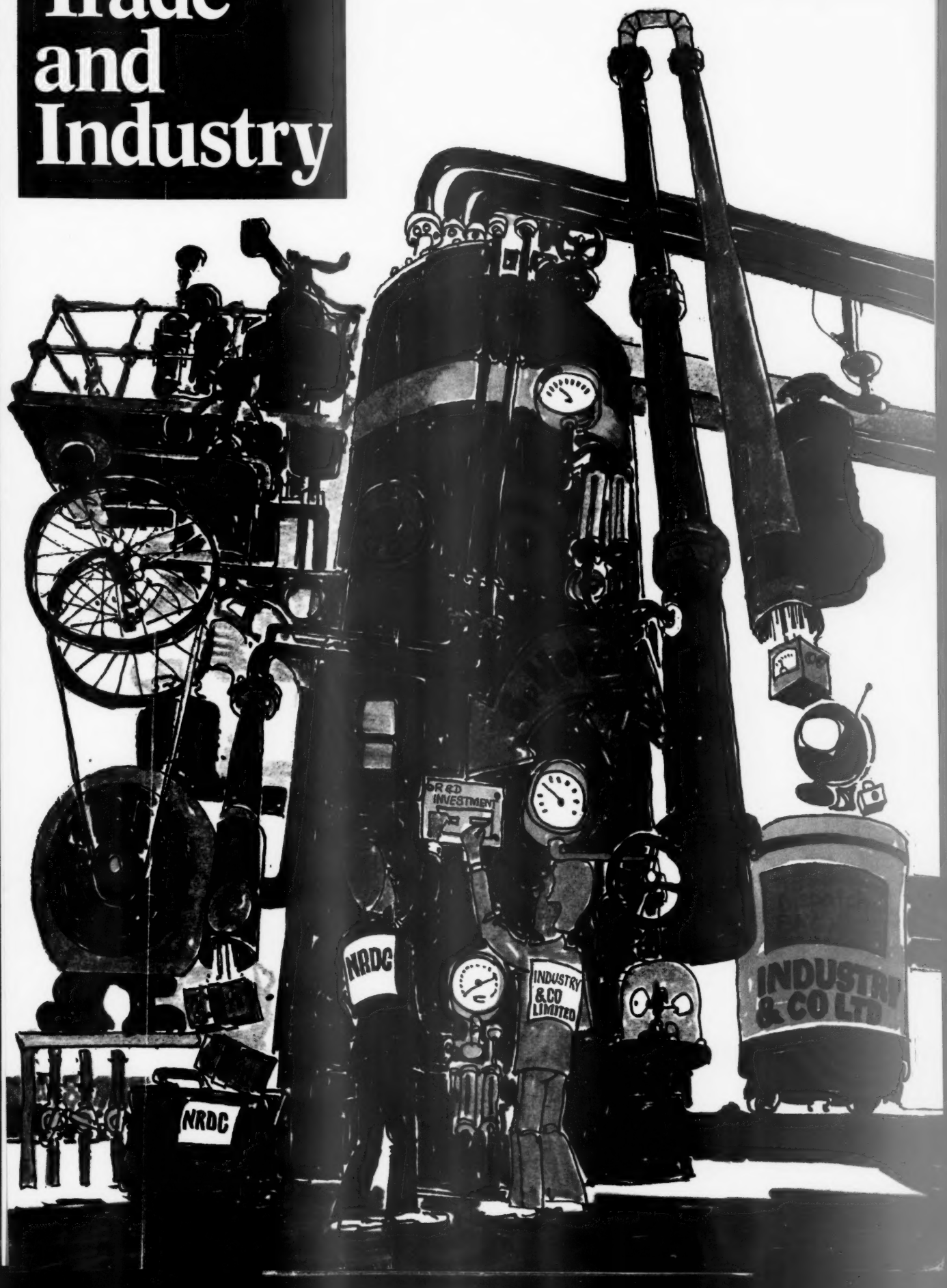

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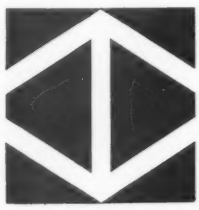
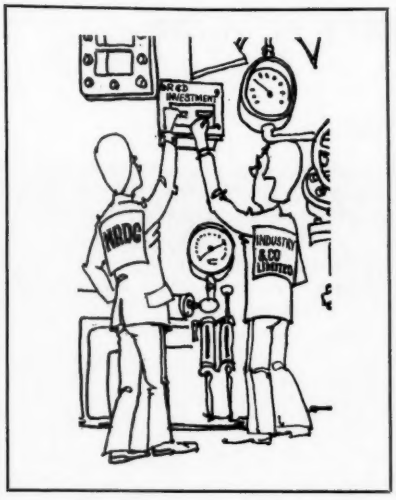


Trade and Industry

10 October 1975

News from the Departments of Industry·Trade·Prices & Consumer Protection



About 30 per cent of all the nation's science graduates are engaged somewhere in research and development, and it is obviously in the country's interest that as much as possible of the results of their work are made available to British industry and commerce for commercial exploitation. This is one of the prime purposes of the National Research Development Corporation, a special feature on which appears in this week's issue (pages 76-83).

Trade and Industry

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Home News

Changes to The Queen's Award to Industry scheme – Review committee reports

The Queen has approved the changes to the Queen's Award to Industry scheme which have been recommended by the Review Committee appointed by the Prime Minister under the chairmanship of the Duke of Edinburgh, and accepted by the Government in full.

The Queen's Award to Industry will in future be known as the Queen's Awards for Export and Technology. There will now be two separate Awards, entitled 'The Queen's Award for Export Achievement', and 'The Queen's Award for Technological Achievement'. The changes will be implemented in the arrangements for the 1976 Awards.

The changes to the Queen's Award to Industry are contained in a report by the Review Committee published on 6 October by HMSO, price 70p.

On the change of name, the report says that it was suggested to the Committee that there would be advantage if the two elements in the present scheme could be given separate identities.

Each Award will have its own emblem, which to maintain continuity, will be based on the existing emblem but will incorporate an 'E' for Export and 'T' for Technology respectively.

The committee reviewed all aspects of the Scheme and put forward 33 recommendations. Among the main conclusions are:

Sir Douglas Allen (left), member of the Queen's Award review committee, at a press conference on the committee's report. Sir Douglas, who is head of the Home Civil Service, is chairman of the committee which advises the Prime Minister in the selection of organisations for recommendations for the Award to the Queen. On the right is M. J. A. Cochlin, secretary of the review committee.

Continuation of the scheme. The scheme continues to be well regarded by industry and should be retained. Since 1971 the average level of applications for the Award has been over 1,100 per annum. The Scheme has proved most successful as a morale booster at all levels in the winning firm.

Scope of the scheme. The scheme should continue to be confined to the recognition of outstanding achievement in the fields of exports and technology. The committee had sympathy with the objectives of those putting forward proposals for an extension of the scheme eg to cover achievement in conservation of the environment or the quality of investment strategy, but concluded that this could not be done without requiring the most complex rules of administration.

Eligibility for an award. The range of those eligible for the Award should be extended to cover those indirect exporters who themselves undertake the overseas promotion and 'selling' of their product; and export agents in respect of their earnings from UK manufacturers.

Invisibles. Greater flexibility should be introduced into the arrangements for dealing with 'invisible' exporters and the operation of these new arrangements should be kept under review (paragraphs 15 and 16);

Assessment of achievement. Special care should be taken to protect the interests of the established exporter who maintains a consistently high standard of export performance but who finds it difficult to show a further dramatic increase in export sales. In 1974 some 93 per cent of Award winners achieved increases of over 50 per cent in their exports; nearly 75 per cent of winners recorded increases of over 100 per cent.

Consultation with industry. Industry should be consulted on proposals for an exhibition by holders of the Queen's Award; and for the formation of an Association of Queen's Award Holders' analogous to the Royal Warrant Holders Association.

The Prime Minister announced the 1975 Review in the House of Commons on 14 November 1974, and invited those wishing to suggest changes or any new ideas for the scheme to submit their views. The extent of the response, from some 118 trade associations, firms and others illustrates the continued widespread interest in the scheme in the country. Among these were submissions from the Confederation of British Industry, the Committee on Invisible Exports and the British Overseas Trade Board.

The committee was chaired by the Duke of Edinburgh and had eleven members. Its composition was: Sir Lindsay Alexander, Sir Douglas Allen, Lord Briginshaw, Mr. R. H. W. Bullock, Mr. M. O. Edwardes, Mr. W. Ernest Haynes, Sir Emmanuel Kaye, Sir Cyril H. Kleinwort, Sir John Partridge, Lord Thorneycroft, Sir Peter Thornton.

Application forms for the 1976 Awards are available from The Secretary, The Queen's Awards Office, 1 Victoria Street, London SW1H 0ET, tel. 01-222 2277, Telex 27366 A/B DTIHQ LDN.

Concorde to enter into service on 21 January

A joint Anglo-French communique issued on 3 October states: 'An up-to-date examination was made on 30 September by British and French officials of progress on the certification of the Concorde supersonic aircraft and on the production programme.

'After taking note of the results of this examination, the Secretary of State for Industry, Mr. Varley, and the French Secretary of State for Transport, M. Cavaille, today confirmed the intention previously expressed that Concorde should enter service simultaneously with British Airways and Air France, and noted with satisfaction that the two national airlines would inaugurate regular commercial services on 21 January 1976.

'The Ministers congratulate the manufacturers of Concorde on the efforts they have undertaken jointly since the decision taken in mid-1974 to accelerate Concorde's in-service date; these have permitted the commercial operation to be advanced by several months.'

Concorde's engines – Rolls-Royce/SNECMA Olympus 593 turbojets – have been awarded the world's first commercial 'type certificate' for supersonic operation, as reported briefly last week. Dr. Peter Calder of Rolls-Royce (left) receives the certificate from John Pardoe, Director-General, Safety (Airworthiness) of the British Civil Aviation Authority, at the company's London headquarters. Certification marks the culmination of the most expensive and rigorous test programme to be undertaken on a commercial aero-engine. This includes 50,000 hours – or more than five years – of continuous engine testing on laboratory test beds and Concorde test flights. The engines have logged more than 20,000 hours in the air, of which 7,000 has been at supersonic speeds. This marathon testing programme has been carried out to ensure durability and safety over a much wider range of temperature and pressure conditions than are experienced by engines powering subsonic jetliners. Conditions explored have ranged from arctic winters of minus 40°C to tropical heat. Engine certification issued by the British and French airworthiness authorities, is an essential preliminary to the operation of fare-paying passenger carrying services.

Display of drinks prices in licensed premises

The price of drinks in pubs, ships and trains will soon have to be put on show.

Proposals for an Order requiring prices to be displayed for intoxicating liquor and other drinks sold for consumption on licensed premises, passenger vessels and trains from 1 December 1975, have been circulated. Publicans may decide how this should be done—eg by price lists, shelf labels, markings on spirits optics etc—provided that prices are clear and easy for the customer to read before he orders.

The Order will not control prices, but will require the retailer to show prices for all drinks he has on display. Where there is more than one bar on the same premises, charging different prices for any drink, only prices of drinks displayed in the individual bar need be shown.

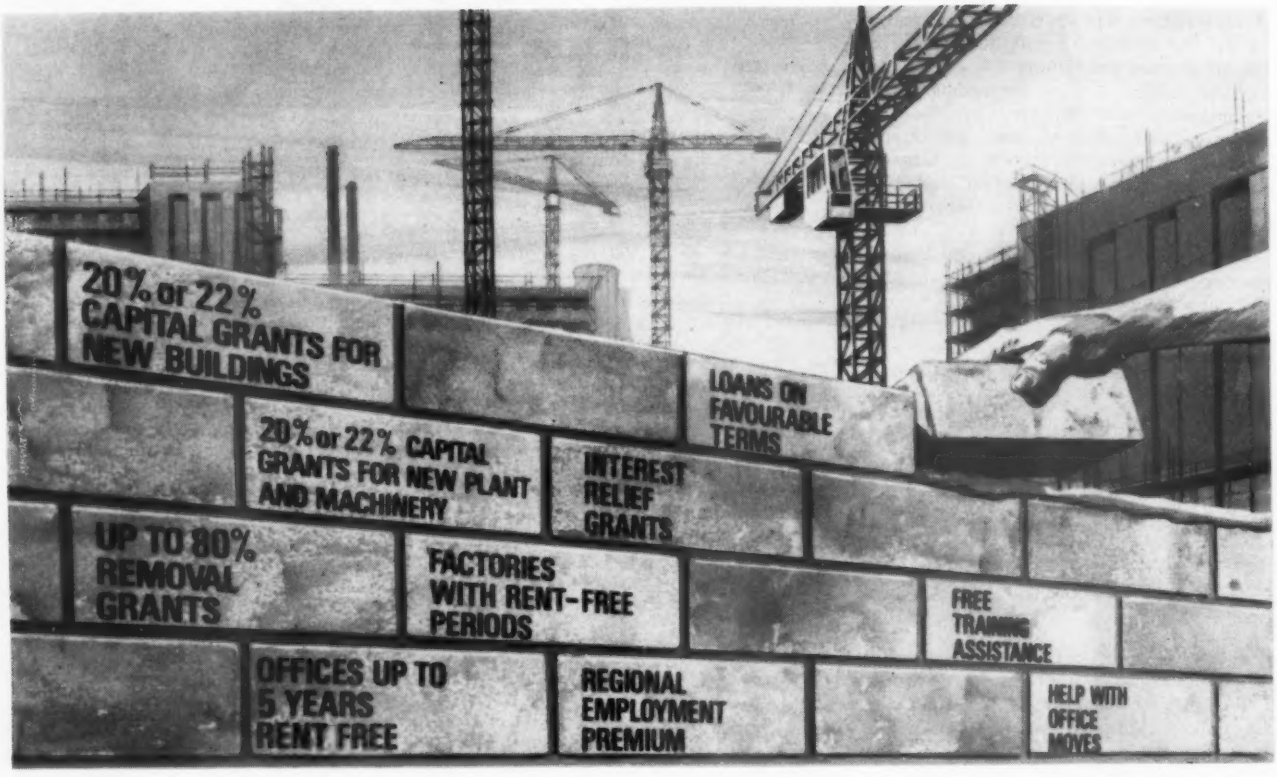
Where appropriate, prices will be shown for intoxicating liquor, fruit juices and fruit-flavoured drinks; waters including spa and aerated waters; lemonade, flavoured spa and flavoured aerated waters; any bottled mixture of two or more of the above drinks, eg snowball.

It would not be realistic to attempt to include all the wide variety of drinks available. But where, for example, the price for a gin-and-tonic exceeds the price indicated for a measure of gin and a bottle of tonic then the price for the gin-and-tonic would need to be shown separately.

The Order will be made shortly under price marking powers in Section 4 of the Prices Act 1974. Copies of the proposals may be obtained from the Department of Prices and Consumer Protection, SWM2, Abell House, John Islip Street, London SW1P 4LN (tel. 01-211 5943).

The 500th production Rolls-Royce RB211 engine is seen being accepted on behalf of Lockheed by Lee Kysar, Lockheed resident manager at Rolls-Royce, Derby. The engine logbook is being given to Mr. Kysar by Eric Scarfe, manufacturing director of the Rolls-Royce Derby Engine Division (third from left). The engine is one of a set of three being sent to Palmdale in California to power the seventh Lockheed TriStar for British Airways. The RB211 provides the largest export programme of British aviation industry. Engines and spares worth over £330 million have now been delivered, predominantly for export.

10 ways to boost your company's investment plans–now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Scotland. Glasgow, tel: 041-248 2855

Wales. Tel: Cardiff 62131 (STD code 0222)

Northern Region. Tel: Newcastle upon Tyne 27575 (STD code 0632)

North West. Manchester, tel: 061-236 2171

Yorkshire & Humberside. Tel: Leeds 443171 (STD code 0532)

East Midlands. Tel: Nottingham 46121 (STD code 0602)

West Midlands. Birmingham, tel: 021-632 4111

South West. Tel: Plymouth 21891 (STD code 0752) or Bristol 291071 (STD code 0272)

London & South East. London, tel: 01-212 6343

Eastern Region. London, tel: 01-212 0289

Northern Ireland. Tel: Belfast 34488 (STD code 0232) or London 01-493 0601

To: The Industrial Expansion Team, Department of Industry, Millbank Tower, Millbank, London SW1P 4QU

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Fireworks without tears

A new guidance leaflet issued by the Department of Prices and Consumer Protection shows how to plan and carry out an effective, safe fireworks display.

The 'Guidance on Organised Firework Displays' has been drawn up in consultation with the Health and Safety Executive, the Home Office, the Firework Makers' Guild, the National Campaign for Firework Reform and the Greater London Council. It offers advice on setting up a group to run a display, liaison with local authorities and emergency services; fire precautions; crowd control and general safety. It also gives technical advice on the choice of a firing site and the storing, handling and firing of fireworks.

These guidelines will free parents to enjoy the show, keep an eye on their children and avoid the hard work.

The guidance is aimed at the organisers of public displays but will also help those planning smaller events.

Copies of the guidance have been circulated to local authorities who supply it free to groups or individuals planning firework displays.

Last year in Great Britain there were 144 injuries needing hospital treatment as a result of firework accidents at organised public and semi-public displays. Figures for previous years are: 1973: 160, 1972: 182 1971: 146.

Undertaking to Director General of Fair Trading

The Director General of Fair Trading has announced that he has obtained a written undertaking under Part III of the Fair Trading Act 1973 from Mark Scheffel Holdings Ltd., trading as 'Scientific and Technical', registered office, Towerfield Trading Estate, Southend, Essex.

The company which specialises in the sale of optical instruments by mail order and through retail shops, was convicted of offences under Section 1 of the Trade Descriptions Act 1968 on eight occasions between December 1971 and July 1973. These cases concerned the supply of goods which did not correspond with the description given in mail order advertisements. The goods involved were binoculars (on four occasions) towels (on three occasions) and a telescope (one occasion). In all cases the facts also disclosed a breach of contract.

The company promises to take all reasonable steps to avoid infringing Section 1 of the Trade Descriptions Act and committing breaches of contract by supplying goods which do not correspond with the description given. It has also promised to establish and operate a system to check the advertising copy in mail order transactions and to check the magnification of binoculars before despatch.

Since giving the assurances the representatives of the company have made the following statement to the Director General of Fair Trading.

'Some years ago we had a batch of defective binoculars which caused us trouble. Since this time our whole procedure has been checked by an independent quality control expert who has completely approved our method of testing. All our advertising is checked by The Advertising Standards Authority.'

Assistance for merger between Metals Research and Scientific and Medical Instruments

The Department of Industry has agreed, subject to the conditions below, to provide £4.5 million under Section 8 of the Industry Act to facilitiate a merger between Metals Research Ltd. and Scientific and Medical Instruments Ltd. to form an enlarged company to be called The Cambridge Instrument Co. Ltd.

The department's contribution will take the form of an equity subscription of £1.25 million in the enlarged company together with loans repayable over periods up to 15 years but interest-free for the first two years.

The terms of the merger together with the Department's £1.25 million equity will result in a Government holding of 28.2 per cent in the enlarged group.

The merger, which has been encouraged by the Government as a means of strengthening this sector of the UK instrument industry, offers good prospects for expanding the advanced technology business of both companies, broadening their product base and improving marketing and research facilities.

Shirley Williams, Secretary of State for Prices and Consumer Protection has decided, on the information before her, not to refer the proposed merger to the Monopolies and Mergers Commission under the provisions of the Fair Trading Act 1973.

The conditions for the merger and of the Government's subscription are as follows:

1 SMI shareholders in Extraordinary General Meeting approving the merger.

2 Fulfilment of the necessary arrangements and obligations of the Government, SMI and MR.

Wakefield Metropolitan District Council ordered to restrict charges

The Price Commission have given notice under Section 6(2) and (3) of the Counter-Inflation Act 1973 to the Wakefield Metropolitan District Council, requiring that charges made for the occupation of stalls and stores in seven markets shall be restricted to the level of the corresponding charge in force on 30 September 1974.

A 14-day notice of the Price Commission's proposed action was given to the Council on 9 September 1975 to enable them to make written representations if they wished. No written representations were received from the Council.

In accordance with the Counter-Inflation Act 1973, an announcement was published in *London Gazette* on 30 September 1975.

The trading activities of local authorities are subject to the Price Code (SI 1974 No. 2113, para. 108); they can implement price increases without notifying the Price Commission in advance, but the increases have to be justifiable under the Code.

The Council is being required to provide additional information about their charges.

Local price surveys move on

More price comparison schemes were approved by the Department of Prices and Consumer Protection on 2 October. The £1,000 grants, offered in the Government's counter-inflation package will go to the following areas to finance local price comparison surveys:

Greater London: the Uxbridge/Hillingdon Area; Edgware Road and Church Street, W2; the Kensington High Street area; the Arndale Centre, Wandsworth.
Wales: Pontypridd, Aberdare, Bridgend, Bargoed, Caerphilly, Merthyr Tydfyl and Rhondda.
Salop: Shrewsbury and Telford.
Cumbria: Barrow-in-Furness and Carlisle.

Pilot surveys undertaken for the Department have revealed that housewives armed with pre-shopping information from local surveys can save nearly 20p in the £ on their grocery bills.

The grants announced further increase the number of areas in which housewives will be able to achieve these savings to 30. Similar schemes from other parts of the country are under consideration.

Notes

The surveys will all be carried out under the direction of the departments responsible

for consumer protection matters in the appropriate local authority areas.

Previous approvals under this scheme were announced on 17 and 25 September.

Prevention of Fraud (Investments) Act 1958

Dealers in securities

The following changes have taken place in the lists of dealers in securities under Sections 3 and 16 of the Prevention of Fraud (Investments Act) 1958.

Licensed dealers

Additions:

Lawson Securities Ltd., 63 George Street, Edinburgh.

Stewart Salmon and Co. Ltd., 8 South Street, Park Lane, London W1Y 5PJ.

Electra Group Services Ltd., Electra House, Temple Place, Victoria Embankment, London EC2R 3HP.

Jackson Graham Moore Partners, 9-10 Angel Court, London EC2R 7LR *add* John McEwin Scambler.

Deletions:

Friardale Securities Ltd., 7 High Street, Rayleigh, Essex.

Stock Market Analysts Ltd., 58 High Street, Esher, Surrey.

Portfolio Management (Scotland) Ltd., 10 Charterhouse Square, London EC1M 6JU.

London Irish Banking Ltd., trading as The London Irish Bank, 34 Queen Street, London EC4R 1BR.

Change of address:

Midland Industrial Issues Ltd., Midland House, 5 Fryers Road, Leamore Industrial Estate, Walsall, Staffs WS2 7LZ.

Druidale Securities Ltd., Ridgway House, 41/42 King William Street, London EC4R 9ET.

Exempted dealers

Deletions:

Neville Industrial Securities Ltd., Neville House, 42/46 Hagley Road, Birmingham 16.

New York London Trustee Co. Ltd., 34 Moorgate, London EC2R 6ED.

Forward Trust (Finance) Ltd., 12 Calthorpe Road, Edgbaston, Birmingham 15.

Change of address:

Ogilvy Gillanders and Co. Ltd., Dunster House, 37 Mincing Lane, London EC3R 7HA.

British National Life Insurance Society Ltd., Franlington House, 5-7 Ireland Yard, London EC4V 5DH.

The Vavasseur Trust Co. Ltd., Buchanan House, 24-30 Holborn, London EC1N 2JY.

Trustee Savings Banks

Amalgamations:

The West of Scotland Trustee Savings Bank and the Campletown and District Savings Banks amalagamated on 24 September 1975 under the title of the West of Scotland Trustee Savings Bank.

Bankruptcy records for England and Wales

Details of bankruptcies in England and Wales are maintained in a public search room at Room 901. Thomas More Building, Royal Courts of Justice, Strand, London WC2A 2JY.

Searches can be made personally or by an agent and a fee of 25p in respect of each bankruptcy inquiry is payable at the time.

Authorised Unit Trust Schemes

The following amendments have taken place in the list of unit trust schemes authorised under Section 17 of the Act and published in Part 5 of the 1975 Particulars of Dealers in Securities and of Unit Trusts.

Group and/or name and address of management company	Name of scheme	Name and address of Trustee
ADDITIONS		
Key Fund Managers Ltd., 25 Milk Street, London EC2V 8JE	Key Energy and Industrial Fund	National Westminster Bank Ltd., 41 Lothbury, London EC2P 2BP
Transatlantic and General Securities Co. Ltd., 91-99 New London Road, Chelmsford CM2 0PY, Essex	Vanguard High Yield Fund	Barclays Bank Trust Co. Ltd., 54 Lombard Street, London EC3P 3AH
CHANGES		
DELETE		
Pearl Montague Trust Managers Ltd., 114 Old Broad Street, London EC2P 2HY	Pearl Montagu Unit Trust	The Royal Bank of Scotland London Trustee Co., 49 Charing Cross, London SW1A 2DX
	P & M Growth Fund	The Royal Bank of Scotland London Trustee Co., 49 Charing Cross, London SW1A 2DX
	P & M Income Fund	The Royal Bank of Scotland London Trustee Co., 49 Charing Cross, London SW1A 2DX
AND REPLACE BY		
Pearl Montagu Trust Managers Ltd., 114 Old Broad Street, London EC2P 2HY	Pearl Unit Trust	The Royal Bank of Scotland London Trustee Co., 49 Charing Cross, London SW1A 2DX
	Pearl Growth Fund	The Royal Bank of Scotland London Trustee Co., 49 Charing Cross, London SW1A 2DX
	Pearl Income Fund	The Royal Bank of Scotland London Trustee Co., 49 Charing Cross, London SW1A 2DX
DELETE		
Target Trust Managers Ltd., 7-9 Breams Buildings, London EC4A 1EU	Target Consumer Fund	Midland Bank Trust Co. Ltd., 27-32 Poultry, London EC2P 2BX
AND REPLACE BY		
Target Trust Managers Ltd., 7-9 Breams Buildings, London EC4A 1EU	Target Commodity Fund	Midland Bank Trust Co. Ltd., 27-32 Poultry, London EC2P 2BX
DELETE		
Slater, Walker Trust Management Ltd., 30 St. Pauls Churchyard, London EC4 8DA	Jessel Property Shares and General Unit Trust	Midland Bank Trust Co. Ltd., 27-32 Poultry, London EC2P 2BX
	Jessel Extra Income Units	Midland Bank Trust Co. Ltd., 27-32 Poultry, London EC2P 2BX
AND REPLACE BY		
Slater, Walker Trust Management Ltd., 30 St. Pauls Churchyard, London EC4 8DA	Jessel Property Shares and General Unit Trust	National Westminster Bank Ltd., 41 Lothbury, London EC2P 2BP
	Slater Walker Extra Income Trust	National Westminster Bank Ltd., 41 Lothbury, London EC2P 2BP

State and industry partnership, the aim of National Oil Corporation says Lord Kearton

Without a British National Oil Corporation, the country is relegated to the position of an outsider looking in on the exploitation of the greatest and timeliest discovery of a resource – North Sea oil – in our history.

This was stated by Lord Kearton in a speech to the Council of the British Manufacturers and Contractors Serving the Petroleum and Process Industries on 1 October.

Lord Kearton continued: 'Without a British National Oil Corporation, the country cannot have the fully detailed knowledge to allow for a properly judged development, and control, of this vital national resource.

'The aim of BNOC, the purpose of BNOC, is participation and partnership. I have, for a long time, thought that we, in this country, do need to develop state and industry partnerships, and establish ways of working that would bring together the best features of private enterprise and state responsibility. In this respect, we could make BNOC a new kind of animal. Sir Jack Callard, when chairman of ICI, said he wanted to make that organisation lean and hungry, and very profit conscious. BNOC will also be profit conscious. Lean and hungry? We would hope BNOC would be slim and beautiful. A runner, and a winner. We would do more than hope, we would make it so.

Full operator capacity

'While the first aim of BNOC must be participation in field exploitation – not only voluntarily on the part of existing licensees, but I trust willingly and cheerfully – the Bill envisages that in due time BNOC should develop a full operator capacity, and integrated downstream potential. You all know that Statoil in Norway is already following this route. So long as the downstream operation is operated on fully commercial lines, with no subsidies or special privileges – and this is the Government's categorically declared intention – then it seems to me to be an entirely logical development. It is, indeed, the logic of oil operations everywhere, and it would be oddness extraordinary if BNOC were to be the exception. Timing of entry would be vital, of course, and partnership, as with field development, the aim.

'You will see that I have great hopes for the new National Oil Corporation. It must be at the heart of the oil business, firmly based on the North Sea. It must give the State a new capability, parallel to and complementary with those of the great international oil corporations. And in partnership with them.

'It must give the State, our country, an independent and an ongoing expertise in the oil business, ultimately reaching out beyond the North Sea, and playing its part in ensuring to our country supplies of oil energy in the longer term. I pray the Corporation, when the Bill has been approved by Parliament, will develop, and develop strongly, to be an embodiment of national self-confidence, and national pride.

'And so I have no hesitation in asking, and asking with confidence, for the blessing of everyone here tonight, for the Corporation and its future.'

SGHWR stations get capital investment approval

Tony Benn, Secretary of State for Energy, has given capital investment approval to the Central Electricity Generating Board for a steam - generating heavy - water reactor (SGHWR) power station to be built at Sizewell, Suffolk.

William Ross, Secretary of State for Scotland, has given similar approval to the South of Scotland Electricity Board for an SGHWR station at Torness, East Lothian.

These approvals enable the Boards to enter into commitments for the design and construction of the stations. But work cannot be started on the nuclear installations themselves until the Boards have secured nuclear site licences from the Health and Safety Executive.

Onshore petroleum exploration licences granted

Tony Benn, Secretary of State for Energy, has granted 11 licences authorising the exploration for petroleum (ie oil and gas) to BP Petroleum Development Ltd., the British Gas Corporation, Great Basins Petroleum (UK) Ltd. and Candecca Resources Ltd. jointly, under the provisions of the Petroleum (Production) Act 1934 and related regulations.

The licences cover an area of 4,625km² in Nottinghamshire, Lincolnshire, Derbyshire, Leicestershire and South Yorkshire.

They authorise the searching for oil and gas by prospecting and geological survey, including drilling to a depth of not more than 350 metres to obtain geological information.

The licences do not confer the right to drill for or to produce oil or gas. Licencees must obtain the permission of land owners and occupiers before entering on to any land. They are also required to consult local authorities before carrying out any seismic survey or drilling operation and to obtain any planning permission which may be required.

The licences are valid in the first instance for a period of three years and may be renewed annually at the discretion of the Secretary of State for up to a further three years.

Letters to the Editor

Letters to the Editor should be addressed to the Editor, *Trade and Industry*, Room 437, 1 Victoria Street, London SW1H 0ET, and *not* to HMSO.

Product design 'one of main sources of nation's wealth'

'Design is the very life blood of successful industry and thus one of the main sources of the nation's wealth', the Design Council says in its latest annual report. The report stresses that increased industrial investment will produce the national return required from it only if there is a proper regard for the design of the products it generates.

As an organisation committed to seeking, praising and promoting British achievements, the Council feels that 'in a period of hesitant national morale, it should be given every encouragement to press on with its campaigns. Far from cutting back on the promotion of engineering and industrial design, every effort should be made when slump conditions prevail to stimulate new ideas and new product design in all sectors of the economy'.

Emphasising the importance of design education, the report says it is in this sphere that one can get at the 'grass roots' of the problem of design in Britain. The Design Council has expanded its activities in this area in the past year and in addition new courses, award schemes and publications have been instituted in order to encourage a more favourable atmosphere for the propagation of good design.

The 30th annual report, which covers the year ending 31 March 1975, is published by the Design Council, 28 Haymarket, London SW1Y 4SU (price 50p plus, 10p postage).

BTA appointments

Following the request by the Chairman, Sir Alexander Glen, that his further term of office should be limited to one year, Peter Shore, Secretary of State for Trade, has decided that changes in the membership of the British Tourist Authority should be made within that period.

Mr. Shore has re-appointed David Macdonald, Henry Marking and Mrs. Alison Munro for a further period of two years from 1 October and has extended the appointments of Douglas Barrington and Peter Parker until the end of the year. He is most grateful to Mr. Barrington and Mr. Parker for agreeing to serve for this additional period.

A further announcement will be made about appointments to take effect from 1 January 1976.

Government Sales

Ministry of Defence

14-15 October 1975 Miscellaneous Stores

Location: Central Ordnance Depot RAOC, Bicester, Oxon

Auctioneers: Midland Marts Ltd., (Dept. L), Market Square, Bicester, Oxon OX6 7AL (tel. 08692-2073)

Clothing and textiles including greatcoats, KD trousers and shorts, shirts, jerseys, towels, blankets, carpets, rags, haversacks, groundsheets, tentage. 1,090 Omega wrist watches, tyres, MT spares, handtools, photographic equipment, radio and electronic equipment. Kitchen equipment, chairs, tables, bureaux, sideboards, bedsteads. Saloon cars, vans, minibuses, double decker bus, Bedford fire tender, AEC Mammoth Major, Landrover, fork lift trucks, Coventry Climax trailer fire pumps, Gardner diesel engines, lathes, milling and grinding machines and a large collection of other stores.

22 October 1975 Miscellaneous Stores

Location: City Auction Galleries, Kinterbury House, St. Andrew's Cross, Plymouth PL1 2DQ

Auctioneers: Woolland Son and Manico at the same address.

The stores, which are lying at Plymouth, Exeter, Chivenor, Yeovilton and other establishments in the West country include greatcoats, raincoats, jackets, trousers, blouses, jerseys, pullovers, underwear, shirts, overalls, kit bags, suitcases, blankets, mattress covers, foam mattresses, ankle flying and knee boots, shoes, hammocks, bedspreads, sheets, mixed and woollen rags, tentage, leather equipment. Wooden and steel furnishings including: desks, tables, bureaux, stacking and other chairs, settees, writing tables, iron bedsteads, lockers, wardrobes, dressing chests, linen baskets, hard furnishing, contents of 46 married quarters. Safes, kitchen china and glassware, carpets, tea urns, aluminium ware, watches, Smiths astral second and other clocks, binoculars, microscope, theodolites, barographs, photographic equipment, kettles, cutlery, lamps, convector heaters, 400 whistles, loud hailers, test meters and test sets, charging sets, gauges, tools, 2,400 fibre cases. Electrical spares, teleprinters, portable drills, motor mowers, paint sprayers, scrap batteries and tyres. Ball and roller bearings, pull lifts, lifting jacks, wire rope, davits, boilers, fire buckets, scrap metal, fuel oil hoses, lathes, cutting, grinding, drilling and bending machines. 2 Bedford 5 ton pantechnicons, Bedford sweeper, Karrier van, Ford Transit van, Bedford 6 and 4 cylinder diesel engines, etc.

Catalogues for the above sale, which give details of the lots, conditions of sale, viewing times, etc., are available from the auctioneers from two weeks before and up to the day of the sale, price 10p (postal orders only).

Letters to the Editor

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SHIRLAW, ALLAN & CO., AUCTIONEERS, HAMILTON

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and BROOK STREET, BRIDGETON, GLASGOW

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AT 10.30 A.M. PROMPT EACH DAY.

SHIRLAW, ALLAN & CO., AUCTIONEERS, HAMILTON, have received instructions from the Receiver J. N. Anderson, Esq., (Messrs. Thomson McLintock & Co.), C. A., 216 West George Street, Glasgow, G2 2PF. to Sell, by Auction, as above.

ON VIEW MONDAY, 20th OCTOBER, 1975: also DURING SALE

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Technology News

UK takes part in international ocean drilling

On 29 September the Natural Environment Research Council of the UK and the National Science Foundation of the USA signed a Memorandum of Understanding providing for British participation in the International Phase of Ocean Drilling (IPOD) of the highly successful Deep Sea Drilling Project (DSDP).

This provides for a British contribution of $1,000,000 a year for three years in support of the DSDP. With the signing, Britain joins the Soviet Union and Japan as countries whose research organisations are now participating in the project.

During this programme it is planned to drill holes deep into the rocks underlying the sediments of the sea floor in an attempt to determine their composition, structure and geological history, and to continue coring in the sediments especially near to the oceans' margins, in order to study the earth's past environment.

Since the beginning of the DSDP in 1968, over 390 sites have been drilled throughout the world's ocean basins. Drilling from the ship *Glomar Challenger*, scientists from throughout the United States and research institutes in other countries have obtained information that has helped mould new concepts of the earth's history and understanding of the earth as a dynamic, changing planet, together with much new technical information.

IPOD is scheduled to begin this autumn after completion of the present phase of drilling. Scripps Institute of Oceanography of the University of California at San Diego is the managing institution for the DSDP under a contract between the Regents of the University and the National Science Foundation, which funds the project.

Encouraging inventions – the NRDC report

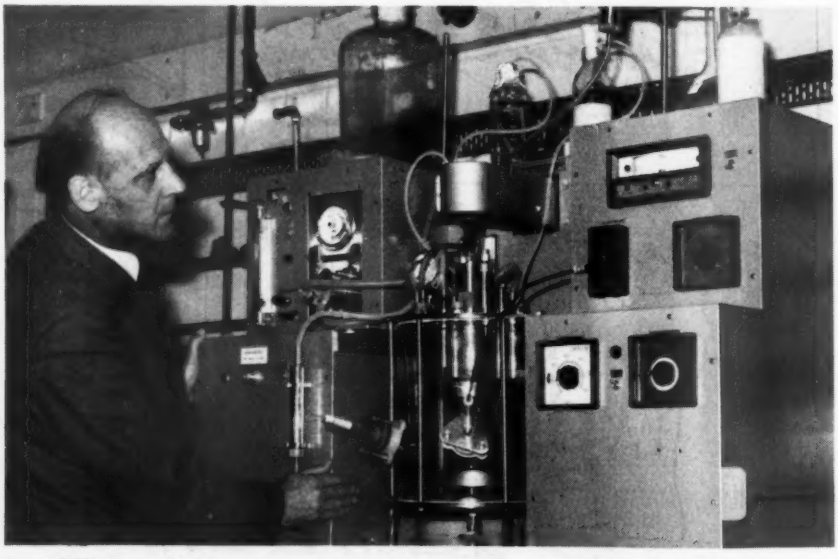
A new hovercraft and a system for injection moulding are among the new projects undertaken by the National Research Development Corporation during the last year.

The NRDC's annual report, published yesterday, shows that the Corporation's expenditure on development rose to £3.17 million compared with only £2.49 million over the corresponding period of the previous year. For the future, though, the amounts authorised for investment in new or existing projects fell from £5.21 million to £4.30 million. 63 new projects were started compared with 64 last year, making the total number of projects 327 in being at the moment, slightly lower than last year's figure.

Of the 63 new projects, major undertakings included a 200-seat sidewall hovercraft (HM5); reinforced plastics packaging; automatic test equipment for printed circuits; high-voltage stabilised power supplies; and injection moulding of large components.

Further support was authorised in connection with a high-speed passenger conveyor; small synchronous motors; microdensitometer equipment, and a soft ground tunnelling machine.

Major earners of income were the cephalosporin antibiotics, pyrethroid insecticides, selective weedkillers, pole-amplitude-modulation electric motors and a detector for combustible gases. (A major feature on the work of the NRDC appears on page 76).



Dr. Jeff Worgan with his apparatus for growing fungi at the National College of Food Technology. When grown in a particular liquid, in this case the waste from palm oil production, the fungi give high yield and high quality protein. After drying, this can be added to animal feed in the form of a bland powder. The project is sponsored by the Science Research Council, in co-operation with a private company and feeding trials are being carried out by the Rowett Research Institute in Aberdeen. Results suggest that if, for instance, the powder is added to hens feed, the output of eggs is increased. Dr. Worgan feels that the production of human food is both technically and economically feasible, but the product still faces the necessary tests for safety and non-toxicity.

NEL shows to practical advantage

A major exhibition of the work of the National Engineering Laboratory is due to open at the Scottish Design Centre in Glasgow on 26 January 1976. The exhibition will remain in Glasgow until 21 February 1976. It will then be transferred to The Design Centre in London where the exhibition will remain on show from 17 March until 17 April 1976.

NEL was established in 1949 in East Kilbride as a centre for research, development and test work in mechanical engineering. It is now the largest centre of its type in the UK and much of its work has been translated into new or advanced industrial products which have found a place in world markets. For example, a no-clutch drive system developed by NEL is now widely used on British made fork lift trucks to improve driver handling characteristics. In the marine field NEL has successfully developed a self-burying anchor which is capable of immense holding power.

Financed by central government and contracted research projects, NEL is organised into autonomous groups dealing with fluid mechanics and fluid transfer, structures and materials, manufacturing systems and fluid power. Examples of the practical nature of the work of all these sections will be on display at The Design Centres in Glasgow and London.

To run in conjunction with these displays it is proposed that some half-day seminars will be held on aspects of mechanical engineering work such as reliability of components in service and a complete design-to-prototype cycle in fluid mechanics.

Science Research Council report

The provision of new central facilities, in fields where the great majority of investigators work, is one of the objectives of the Science Research Council as set out in their annual report published last week.* The financial prospects and priorities of the Council are also described, together with the funding of university research, and the development of policy for selectivity, such as the support of polymer engineering.

In 1974/75 the Council's gross expenditure was £85.5 million but the Council was unable to support all the proposals which it considered should be supported. The Council awarded 1,876 research grants of value £25.1 million (49 per cent of the total applied for). The Council's funds for 1974/75 were about 2 per cent lower in real terms than in 1973/74 following reductions in public expenditure announced in December 1973; funds for the present year will also be further reduced by about 2 per cent in real terms.

Given the financial prospects the Council has concluded that the number of postgraduate studentships offered should be reduced, 3,600 studentships will be offered this year compared to 3,950 in 1974, this provides for about 14 per cent of expected graduates; that resources will be switched gradually from current programmes of high cost eg nuclear physics to the direct support of research in universities and polytechnics and for provision of new central facilities required in fields in which the great majority of investigators work; that the criteria for selection of priority areas in engineering and science should be sharpened; and that the policy of selectivity and concentration should be further emphasised.

The Report describes the policies of selectivity and concentration and the difficulty which has arisen in selecting certain areas of engineering and science for more favoured support in fields which, though accepted as being of national importance, have not already proved attractive to academic research workers. The Council has therefore adopted a new policy and will, in future, be prepared to support research in the special areas on a more comprehensive basis.

The new policy is illustrated by the £2½ million programme being developed for polymer engineering with the financial and managerial support of the British Plastics Federation and the British Rubber Manufacturers Association. A directorate is to be established to initiate and oversee a closely co-ordinated programme of research and postgraduate training in selected universities and polytechnics with the active involvement of industry, which will be able to give more comprehensive support for identified extra costs than is normal in research grants.

Since the report was prepared, Council has agreed that manufacturing technology should be designated as a special area under the new policy.

* Report of the Science Research Council for 1974/75 published for SRC by HMSO. Price £1.60 net.

In a year of many scientific successes in the area of astronomy, space and radio, there were three particular highlights: Professor Sir Martin Ryle and Professor Antony Hewish of Cambridge University were awarded the 1974 Nobel Physics Prize for their pioneering research in radio astronomy, the British X-ray astronomy satellite UK-5 (Ariel V) was successfully launched and is producing remarkable results, and the Anglo-Australian Telescope was brought into operation and is proving an outstanding instrument.

Significant increases in the number of research grant applications for engineering were received. At the same time, a number of large research projects outside the conventional grants system are being developed. On the postgraduate training side, there was a further drop in the use of awards, which have now fallen 22 per cent below the 1972 level. This must lead to a shortage of highly qualified engineers, influenced perhaps by the low level of SRC studentship awards compared with the starting salaries for new engineering graduates.

Research training

In research training, the Engineering Committees are trying to encourage syllabuses with a broader content than that of the usual PhD. Preference is also given to research schools which attract postgraduate students and which work in collaboration with industry.

In 1974 it was decided to extend the availability of awards under the CASE (Co-operative Awards in Science and Engineering) scheme to all its subjects; preliminary results are encouraging.

Promotion of the Total Technology approach to the Engineering PhD has continued, and four new schemes have been approved. Surveys of current students indicate that about half of them would not have taken a PhD at all had the Total Technology schemes not been available.

In research, the Engineering Committees continued to examine areas of research to assess their suitability for priority treatment. Investigations were completed during the year of catalysis, electro-chemistry, grinding technology, non-Newtonian flow, solid-state devices, telecommunication, combustion-generated pollution and biochemical engineering.

In certain nationally important areas, new approaches to stimulating research (and producing highly qualified manpower) are being developed. During the year a joint Working Party with the Department of Industry has been drawing up an important scheme to combine advanced training for manufacture 'on-line' with company improvement complemented by courses and projects in the universities and polytechnics. The aim is to create the engineering equivalent of a teaching hospital where experienced practitioners, researchers and students intermingle while doing a job in a real environment.

A beginning has also been made in adopting these approaches to some other fields, namely superconductivity, marine transport and advanced ground transport.

An enquiry has been completed into the computing needs of engineers in universities and polytechnics. It has been decided that it is both feasible and desirable to provide a central interactive facility, with several kinds of terminals at Universities. Detailed proposals are being worked out.

Universities and Polytechnics

The Science Board has continued to give the highest priority to the finance of research in Universities and Polytechnics within an increasingly restrictive climate. The present shortage of funds means that departmental contributions to the cost of research projects may be greatly diminished, and that Universities may find it increasingly difficult to assimilate projects initiated by the Board into their general departmental activities.

In the field of postgraduate training the Board takes the view that a research student should be kept in touch with general advances at the same time as he experiences a research project in depth, and wishes to extend its support of activities such as the intensive courses lasting two or three weeks which have been run by the Physics Committee. The Board gives strong support to advanced courses in vocationally-orientated fields such as analytical chemistry, colloid science, and applicable mathematics; and the long-term objectives of industrial-orientated research recognised in the CASE scheme.

A total of 926 research grants, to the value of £8.9 million was made to Universities and Polytechnics in the year 1974/75. Certain trends can be recognised within the very wide range of research topics supported: a mutual interaction of experimental and theoretical studies in several areas of physics and chemistry, to which the Atlas Computer Laboratory has made an important contribution: the continued support of significant programmes in structural and synthetic chemistry, and in organometallic chemistry: and the increasing use of sophisticated quantitative methods in the investigation of biological systems. Some successes have been scored in fields selected for special attention by Committees of the Board – for instance, surface science, colloid science, photochemistry and the fundamental technology of enzyme production.

Further major funding has been made to the Oxford Enzyme Group for their long-term programme on the structure of enzymes and sub-units and their role in catalysis and control. Nuclear magnetic resonance spectrometry plays an important part in this work, and the group are now developing a very high resolution instrument which will permit the investigation of important classes of molecule of high molecular weight.

Central facilities continue to play an increasing part in the Science Board's activities. DES approval has been given in the installation of the new and powerful synchrotron radiation sources.

Britain

'If we do not make some mistakes, then we are obviously going to miss some good opportunities'

William Makinson, managing director of the National Research Development Corporation, is interviewed by Roy Stiles

William Makinson, managing director of the National Research Development Corporation

Mr. Makinson, the 16 months or so since your appointment in June last year as the managing director, the chief full-time executive of the National Research Development Corporation, have not been easy ones for Britain's economy. Has the economic climate presented any additional problems for the Corporation, or inflicted any constraints on its activities? Do you feel that the NRDC has a particularly appropriate role to play at this time in helping to further improve the industrial and commercial health of the country?

You have really asked two questions. Firstly, has the economic situation placed the Corporation under any constraints? The answer to that is, yes, it has, indirectly, because it has put constraints on our clients. Our business is primarily concerned with industry, and the financial constraints have undoubtedly caused companies to look for returns more in the short term than the long term. Since innovation, which is our *métier*, is essentially a longer term investment we have had fewer proposals from industry, a large section of which is preoccupied with survival. Secondly, do I think the NRDC has an important role to play? Clearly it has, because if we are able by providing some of the risk capital to encourage firms to think about the longer term, then no doubt this will at least help them to innovate more than they otherwise would, which will stand them in good stead when conditions improve.

What qualities do you consider you bring to the NRDC to guide it along the right lines?

My experience has been a mixture of Civil Service on the one hand and manufacturing industry on the other, a combination which has perhaps helped me to see clearly both sides to many of the situations in which NRDC becomes involved. I was for something like 20 years a member of the scientific Civil Service. Starting at RAE Farnborough, I moved to Martlesham Heath, where I was Superintendent of the Blind Landing Experimental Unit, and subsequently to the Ministry of Defence research policy staff. I then left the Civil Service and went into manufacturing industry, where I was concerned with the management for about 10 years of two medium-sized companies, each employing more than 1,000 people, primarily in the aviation electronics and instrumentation business.

Although the National Research Development Corporation is widely known, there may still be some people who are not fully aware of the precise role it performs. Is it possible to outline in a brief and concise form, its principal purposes and functions?

NRDC was set up originally under the Development of Inventions Act of 1948 to maximise the development and exploitation of inventions which were derived from Government-supported research, i.e, work in the Government research establishments and the like. More recently as allowed for in the Act, its role has been expanded to include inventions from any source, industry, universities, private inventors and so forth. It does this not only through patenting and licensing activities but also by providing funds for development.

It is appreciated that you finance a project rather than a company or an institution. Presumably before granting an industrial company a loan you require reasonable assurance that any project is capable of development and exploitation to a commercially viable state. Are you not therefore carrying out the functions of many commercial banks and, if not, what are the essential differences between your operation and that of an ordinary finance house?

Because we sometimes do participate as a normal shareholder in joint companies, I presume you are referring to our financing of what we call Joint Ventures. In the sense that in these cases we are providing money for the firm's purposes, then certainly we are doing the same thing basically as a bank. However, whereas the bank in providing funds usually requires security for its loans, to ensure that the money will in due course be repaid with interest as specified, come what may, NRDC is prepared to gear the recovery of its money to the success of the particular project for which it is being used. So in that respect we are essentially different from the bank.

Is there a standard basis on which financial assistance is granted; do loans have to be repaid over a

fixed period, and is there a stipulated percentage return you expect from an advance of money?

I've partially answered that, of course, in replying to the last question. The answer is 'no'. Unlike a bank loan there is no fixed term. Normally if we are supporting a particular project in a company then we would look to the turnover of the resulting product or process to provide our return. We would take a percentage, if you like, on the business generated. If the business is short-term, then we would expect to recover our money in the short term; if the business stretches over a longer period, then of course our recoveries will usually be over a longer period. Normally we have a levy agreement so designed that at some point in time, the levies will cease. In other words, when we have got back our investment with a reasonable return we do not expect to remain a millstone round the neck of the company or the project.

Basically you tailor your approach to the individual application and one of your prime considerations is to see the success of that venture right through to commercial success?

Yes. We aim, ideally, to share the benefits of the project, or the losses if the project fails. In the event, I think that we probably get somewhat less than our fair share of the successful projects, the company more than its share. On the other hand, the company has often more at risk than does the Corporation, in that as far as the Corporation is concerned it is just one investment of many, whereas it may well be the whole future of the company which is at stake.

One of the prime tasks of the NRDC is to assist in ensuring that the inventive talent of Britain is commercially exploited to the benefit of the inventor or industry, and the nation as a whole. Yet, I understand to date the number of private inventions financed by the Corporation is relatively small by comparison with those issued by the Government research establishments and universities. Does this indicate a weakness or bias on the part of the NRDC to the detriment of the private inventor, or do you think that this situation truly reflects the relative proportions of worthwhile potential projects in the state-supported and private sectors of the country's inventive wealth?

On the whole I believe the balance is about right. The fact remains that a high proportion of private inventor submissions are for one reason or another not acceptable to this Corporation. There are always people busily rewriting natural laws and, as we have no way of restricting the input, there are always the 'nut cases' to deal with. Even after eliminating the lunatic fringe the proportion of private inventions which are novel, workable, or likely to be of commercial significance is very low.

In the case of universities or research establishments, where the academic or professional background is usually impeccable, inventions are inevitably of a higher calibre – as you would expect. Even so, they may be lacking in practical or industrial significance, particularly when they emerge as a by-product of research work directed towards other primary objectives, for example defence or education.

Would you say that any private inventors fail in their applications because they are ill-prepared in presenting their cases?

Yes. I think perhaps a number of them do, although we do try to make sure that the private inventor, even if we do not support him, gets the right sort of advice. For instance, we would not undertake to take up his invention or turn him away without first making sure that he has been to the industry or the company that could make best use of it. We have no wish to intercede unnecessarily between the inventor and the application of his invention. If, on the other hand, the inventor returns, having satisfied us that nobody wants his invention, and if we still feel that it merits support, then we might be prepared to put money into it, as we did in the case of the Hovercraft.

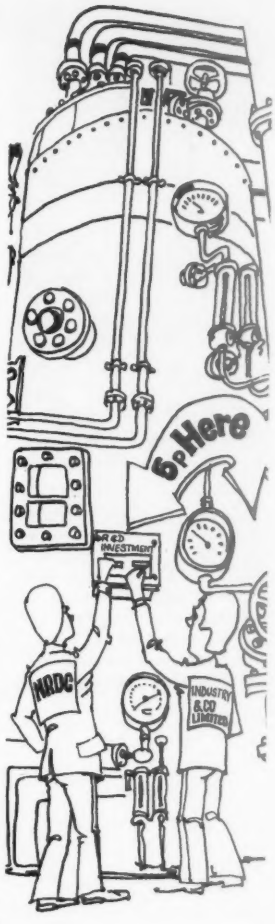
You mentioned the Hovercraft. One gets the impression these days that this has been somewhat of a disappointment to the country. Do you still see possibilities for the Hovercraft and is NRDC playing a part in this?

Yes, indeed, following a recent revival of interest in this form of transport. Firstly, we are supporting the development of a large 'side-wall' craft by Hovermarine Transport which should attract substantial sales, particularly overseas countries where licensing arrangements are already being negotiated. Secondly, the imminent appearance of a French-designed Hovercraft on the Channel route has led to proposals from the British Hovercraft Corporation for the 'stretching' of the existing SRN 4 and the development of a completely new amphibious craft giving greater potential reliability and comfort at reduced cost. NRDC could well play a part in this new development.

Meanwhile, the US high-speed Navy developments could provide very substantial revenue if the designs ultimately chosen incorporate NRDC or BHC inventions, which have still some years of patent life left in the USA. Indeed, the ultimate revenue from this source alone could more than recover our entire investment in Hovercraft to date.

About two-thirds of the inventions taken up by the NRDC are derived from sources supported by public funds, such as Government research establishments and other bodies, like the Medical Research Council and the Agricultural Research Council. At what stage in the progress of a project does the Corporation get involved, and does the initiative come largely from the NRDC or from the staff at the various research establishments?

The Corporation prefers to become involved at the very early stages wherever possible. We have quite recently launched a publicity campaign aimed at bringing the services we can provide to the notice of peole in the universities and Research Council establishments engaged in research. In the case of most Government establishments the mechanism for communica-



Mr. Makinson examines the Queen's Award plaque presented to the Corporation by Vickers Oceanics Ltd. in recognition of the part NRDC played in helping the company win the award for technological innovation for its work on submersibles.

tion is almost automatic in that under a Treasury Circular of 1950 the rights to any inventions, with the obligation to exploit where possible, reside in NRDC. Post-Rothschild this no longer applies to some of the Department of Industry laboratories, so that if they wanted our help they would be expected to come to some independent arrangement with us. We normally maintain a liaison with the university departments, research councils, research association, etc., where we know that work of commercial significance is going on and we rely on an ever-widening personal knowledge of people and events to enable us to move at the right time.

You've already mentioned the advertising campaign that is under way at the moment. Generally, by what means and methods do you assist in the promotion of the intentions?

Having first satisfied ourselves that the invention merited support, we would first make sure that the rights to its use were appropriately protected by applying for patents in those countries which might be significant in relation to its ultimate exploitation. The next step would be to identify a potential UK licensee, even assuming that some further development were needed in the successful application of the invention, the cost of which NRDC might be prepared to share through the sort of Joint Venture I have already described. The degree of exclusivity NRDC might be prepared to grant might depend on the extent to which the company was itself prepared to spend money on development.

So in fact do you have staff who are continually going round to commercial enterprises, trying to persuade them to adopt projects which you think are worthwhile, but in the company's interest and in the nation's interest?

Staff continually going round is perhaps a slight exaggeration, because there are only about 40 executive staff in the NRDC and literally thousands of industrial companies. Over the years we have developed a pretty good knowledge of industry in the different sectors – chemical, mechanical, electronic, etc. – so that we often know where to go first with the good invention. However, we are not infallible, and we always follow up the direct approach by disseminating the information through information sheets and bulletins so that other companies, that we had not been able to contact would perhaps become interested and approach us directly.

Approximately how many projects in the course of a year gain the support of the NRDC and how much is invested by the Corporation?

About 30 to 40 new development projects involving NRDC investments in excess of £50,000 are typically undertaken in the course of a year and the total sums authorised would be in the region of £5 to £6 million. In 1974/75, probably for the reasons I have already indicated, the authorised amount fell to £4.3 million but there are already signs of some upturn in 1975/76. At the end of the financial year 1974/75 there were 327 projects in being, involving authorised expenditure totalling £7.4 million.

Of the many inventions that the Corporation has so far seen through to a successful outcome, are you able to name some which have been particularly gratifying?

Leaving Hovercraft aside, we are particularly gratified and not a little nourished by the conspicuous success of the Cephalosporin series of antibiotics which account for a very high percentage of our total licensing revenue. Cephalosporin is a 'penicillin-type' drug, capable of being administered either orally or by injection, which although more costly to produce has certain important biological advantages over penicillin. Discovered originally by an Italian scientist in natural form, it was synthesised and developed for small-scale production by Oxford University and Medical Research Council research workers supported, in part by NRDC funds. It is now licensed industrially worldwide, including notably the USA and Japan in addition to the UK.

Other inventions which could, collectively if not individually, in due course make up for the inevitable ultimate decline in Cephalosporin royalties include pyrethrin analogues (a powerful agricultural insecticide), carbon fibres, alkali-resistant glass fibres used to reinforce concrete components, pole-amplitude modulation (giving a very efficient form of multi-speed synchronous motor) and, of course, a number of promising computer software systems and packages including Genesys.

Are there any other projects you'd like to mention?

Both in terms of size and importance it is worth mentioning our involvement in Vickers Oceanics Ltd. as a shareholder and provider of dedicated loans. This company, which performs a very essential underwater engineering service in the North Sea oilfields, has pioneered a number of highly original techniques through the use of submersibles specially designed and equipped for a variety of tasks in surveying, cable burial, pipeline servicing and inspection and general underwater engineering. VOL now operates the largest fleet of its kind anywhere in the world and represents a unique and exclusively British contribution in a field still largely dominated by American contractors.

When the National Research Development Corporation was established by the Government in 1948. it was anticipated that it would in time become self-supporting. I understand that this happy situation was reached in 1971/72, and that since then you have repaid more than £4 million of the Government's loans as well as generating more than £11 million for new investments and bringing to this country each year about £5 million in foreign earnings. Do you see this encouraging position continuing in the year ahead, and will this mean that more money will be available to finance an even greater number of investments?

Subject to the avoidance of any sudden erosion of royalties from what is currently our

major earner, I see this continuing, and hopefully, as I explained a few moments ago, our newer inventions will help make up any such shortfall occurring in the longer term. We should certainly have adequate resources to support an even greater number of worthwhile inventions.

A paramount consideration of the NRDC in assessing the case of an application for support is the national interest. Are there, therefore, in the near future, certain areas of activity, such as energy, in which investigations will be given priority?

This is a difficult question to answer, because we have never so far had to adopt any system of priorities. In other words, we have been able to support good inventions irrespective of the source or the application. However, in times when, for instance, energy problems are paramount nationally then the bulk of inventions coming to us, certainly from private sources, are concerned with energy. Therefore I would expect that the majority of those we might take up would be concerned with energy, though not necessarily because we specifically go looking for them. Obviously, if we came to the point of having to make a choice between one field of activity and another, we would concentrate on those which we thought to be of the most national significance. So far this has not been necessary because we have never yet had to turn down an application for anything that was worthwhile, because of shortage of funds to support it.

In view of what you said, you suggest that inventors are quick to respond to national need, can you think of any other areas in the foreseeable future where perhaps there will be a greater number of projects coming forward?

The deteriorating world food situation is one which will probably give rise to inventions and, of course, catastrophies like the spillage of oil at sea and similar environmental or ecological problems invariably stimulate new ideas. Shortage of raw materials and world inflation of commodity prices has already focused attention on recycling and on the development of completely new materials and methods of processing. The ever increasing use of computers, for instance, must lead to the discovery or invention of even cheaper and more compact logical elements and storage devices and for more powerful programming techniques.

The Prime Minister suggested last year, on the occasion of your 25th anniversary, that a suitable slogan for the Corporation might be 'NRDC is the foster-mother of invention'. Do you feel that you have been an ideal mother, or do you see ways in which you might be able to improve your conduct and skills to the advantage of present and potential foster children?

Whilst I do not think we have been an ideal mother – if such a thing exists – I think that we have done our best. I hope we are not smug about our achievements: certainly I think we could achieve more. We have tried, as I mentioned earlier, to bring what we can do more generally to the attention of people who could make use of our services, both in industry and in the universities. There has been a gratifying response in numerical terms, but how effective it will be in real terms, that is to say in bringing worthwhile new inventions to the Corporation, remains to be seen. In the past I think that we have made some good choices and we have made some bad choices. We have got to go on making mistakes, however, because if we do not make some mistakes then we are obviously going to miss some good opportunities also.

So there are no particular aspects of the operation which are under review at the moment, or which you feel that you might change in the future?

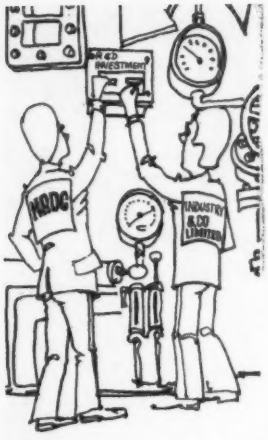
We are always on the look-out for ways of combating the bureaucratic image presented by any organisation supported by public funds. For instance, we are trying to speed up our response to proposals to become administratively more efficient without lowering our standards. The Department of Industry has helped materially in this connection by dealing very expeditiously with our requests for Secretary of State approval where required. Apart from changing internal procedures to achieve these ends I do not see any need for radical reform, although it is up to all of us to be as entrepreneurial as possible and not just wait for people to come to us for help. It might however be worth mentioning that we have recently broadened our international basis of operations for the exploitation of British inventions abroad by interchange of visits and discussions with Eastern European countries facilitated by recent Government moves to improve relations with the Comecon partners. There are already signs of progress, though it is too early to claim any conspicuous success.

The NRDC's liquidity position, is it a healthy one at the present time?

Yes, extremely healthy. We have available – though not lying idle – sufficient liquid resources to cover all future firm commitments and a prospective income sufficient to sustain operations well up to present levels for quite a few years ahead. It must of course be remembered that a portfolio based largely on international licensing arrangements is always potentially vulnerable.

So, if there is a hopeful inventor around at the moment, now is the time to approach you.

We have always been willing to entertain the hopeful inventor, providing he has something worth supporting, and I do not think our healthy liquidity is likely to affect our judgement in this respect. On the other hand it should enable us to respond to overtures from large companies with innovative ideas but seeking to share substantial development costs and risks to reduce their negative cash flow under current economic circumstances.



NRDC

Cephalosporins – a boon to medicine and the NRDC

The outstanding monetary success to date for the National Research Development Corporation has been the series of the Cephalosporin antibiotics. These are broad spectrum antibiotics which, although having some close chemical similarities to the penicillins, represent a distinct group of new antibiotics which are as non-toxic as the penicillins and with distinct advantages such as resistance to the enzyme penicillinase produced by some very dangerous organisms and which destroys penicillin. Also they rarely give rise to sensitivity (allergy) in patients.

The Cephalosporin project is by far the largest royalty earner for the Corporation on both an annual and cumulative basis. Annual royalties from United Kingdom and overseas licences amount to more than £8 million and cumulative royalties since the first licence was granted now exceed £30 million.

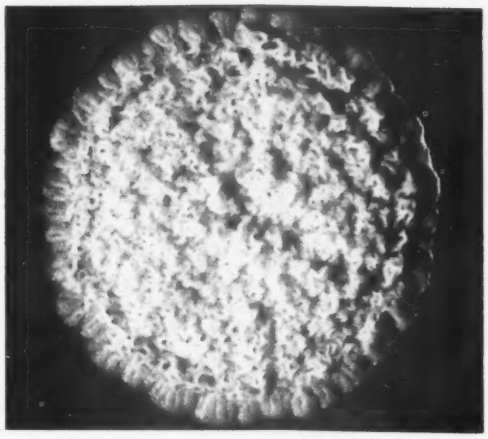
There are now eight different Cephalosporins being marketed round the world by NRDC licensees and probably about as many more are in various stages of animal and clinical trial. They have become major antibiotic and pharmaceutical products and their present world sales value is understood to be well in excess of £200 million per annum.

The Cephalosporin antibiotics were discovered by Professor E. P. Abraham and the late Dr. G. G. F. Newton at the University of Oxford, where research work began in 1948 following the report of an observation in 1945 by Professor G. Brotzu, of the University of Cagliari, Sardinia, that an organism from a sewage outfall produced antibiotic activity.

Research at Oxford was supported by work done at the Medical Research Council's Antibiotics Research Station at Clevedon, in Somerset, under an overall programme controlled by the late Lord Florey (who had been involved in the isolation and introduction into medicine of the penicillins). The work was funded by the university and the MRC.

The NRDC first became interested in the work being carried out at Oxford in late 1951. It was decided on the results then available to encourage and actively assist, both financially and administratively, in the work. The key compound Cephalosporin C was identified and isolated between 1953 and 1955. From an early stage the Corporation set out to ensure an effective patent position and to involve British industry in the necessary development work. The assistance of the Glaxo Group was obtained in 1956, but due to the unusually difficult nature of the fermentation process by which the key starting material Cephalosporin C was obtained, progress was slow in spite of considerable effort and investment by Glaxo. Nevertheless the complex chemistry was unravelled in 1958-59 and from that time onwards the Corporation was in a position to develop an international licensing programme.

Recognising the criticism that has arisen about penicillin – discovered in the UK but not protected and subsequently dominated for a period by US industry – the Corporation's efforts were directed to entering into agreements abroad which ensured access in the UK to the results of development work and potential inventions made overseas. Consequently NRDC granted several options overseas between 1959-63 – five in the USA, two in Europe and one in Japan. In the event only two companies in the USA, Eli Lilly and Co. and Smith Kline and French, and one company in Japan, Fujisawa, made



Cephalosporin. The drugs derived from Cephalosporin C are marketed by major pharmaceutical companies.

sufficient progress to justify exercising their options. All these companies, as well as Glaxo, subsequently made inventions which have proved extremely valuable in the commercialisation of the Cephalosporins and have justified the nature of the Corporation's arrangements overseas, recognising its UK 'public interest' responsibility.

More latterly other companies have entered into licence agreements, including the USA companies Bristol Myers and E. R. Squibb and Sons.

As a sign of recognition of the outstanding merits of the Cephalosporin inventions and the necessarily long and expensive development phase involved – NRDC were awarded in the High Court a six-year extension of the term of their basic Cephalosporin C British patent, over and above the normal 16 years – on the grounds of inadequate reward at that time from its commercialisation.

By 1964 Glaxo and Eli Lilly had found and marketed clinically useful products which had to be injected and by 1969 products which could be taken by mouth. They were the only licensees to market Cephalosporin products until 1971, when Fujisawa put Cefazolin on the market. Other licensees now have other Cephalosporin derivatives either on the market or under trial.

The Cephalosporin C project is only one of well over 4,500 inventions from universities that the NRDC has considered since 'opening up shop' about 26 years ago. About a third of these inventions the Corporation has protected by filing patents. Almost 400 inventions a year are now being received by the NRDC from universities, now the major source from which inventions flow into the NRDC. The net licence income from such inventions is shared by the Corporation with the universities on a 50-50 basis. So far the universities have benefited by about £6 million from such revenue.

Although Cephalosporin C has been a rich benefactor, the NRDC realises that the same level of return cannot be expected to continue for ever – patents and licences expire and other antibiotics may well come along to take their slice of the market. The search for new good revenue earners must continue unabated, for the benefit of the Corporation, British industry and the country as a whole. There are encouraging signs that NRDC is handling some other such inventions, nevertheless to further encourage the universities to maintain and even improve on their flow of ideas the NRDC has recently decided to make available during the current 12 months to the end of March 1976 up to £1 million for university ideas which show commercial promise.

Information: Chief Executive, Department of Applied Science, NRDC.

Cem-FIL-alkali-resistant glass fibre reinforces cement

The invention, financing, development and commercial exploitation of Cem-FIL, an alkali-resistant glass fibre, is just one example of successful partnership between a Government research establishment, a private company and the National Research Development Corporation.

Discovered by the Department of the Environment's Building Research Establishment, the product's value was recognised by the NRDC, who provided some risk capital to enable the expertise and manufacturing and marketing resources of Pilkington Brothers Ltd. to transform grc into commercial reality.

Although the idea of reinforcing cement with glass fibre had been 'kicked around' for some time by various bodies, it was scientists at the BRE who identified an alkali-resistant glass and then developed concepts for incorporating fibres of this glass into cement.

In the words of Sir Alastair Pilkington, Chairman of Pilkington Brothers: 'NRDC saw there was a real opportunity to develop a new family of products. Through NRDC support for the BRE discovery, and through their key role in bringing together a partnership which understood what success would mean, the Cem-FIL project was created on strong foundations.'

Having obtained a licence from the Corporation to exploit the BRE inventions, Pilkington were then faced with the tasks of proving technical feasibility, the durability of the new glass, whether the composition could be melted and made into fibre economically, and – that a market could be created which could consistently incorporate the fibres into reliable finished products. The company wanted to avoid the early experiences with fibres for reinforcing plastics, which 'suffered the blight of backyard amateurism'.

Early surveys – taken before the development stage – had indicated that there would be a market for glass-reinforced cement, from which high-strength thin-section products could be made. At present manufacture is being concentrated on non-load bearing applications – such as cladding, and permanent formwork – but it is hoped that there will be considerable potential in structural applications.

In pursuing the Cem-FIL project, Pilkington had the clear targets of creating a viable trading business for Fibreglass, the company's subsidiary, and a basis for licensing the technology throughout the world. These targets were used as disciplines throughout the research and development, for which a virtually independent minibusiness was established. The mini organisation had the advantage of not being encumbered with the running of an existing business but having access to the expertise of the group's research and development department and also of the Fibreglass trading operation.

The Cem-FIL project was carried out under the guidance of a nominated member of the general board of directors, who was also the company's legal adviser. In the first stages of collaboration, BRE worked on incorporation technology and long-term testing, while Pilkington concentrated on making initial quantities of fibre and establishing full-scale glass-making technology. Subsequently, BRE concentrated on developing methods and standards of incorporation; Pilkington applied all their knowledge of glass composition, properties, melting and forming to technical feasibility research of the product and of fibre technology. The company also focused on the all-important market.

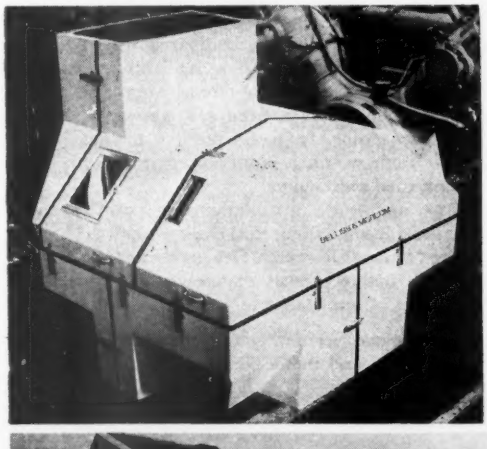
A sound licensing policy was adopted. Licences were granted to other selected companies allowing the incorporation of Cem-FIL fibres in cement products. There has been close control of product development to ensure that only 'proven' products are launched in the market. Incorporation licences are not regarded as a means of generating royalty income. Pilkington make technical data available to the licensee and provide assistance in the development work, while the Cem-FIL fibres are supplied by Fibreglass Ltd.

The licensee is required to involve Pilkington throughout the development work, to give access to testing and quality-control data and to consult the company before marketing the end-product. All rights to 'know-how', inventions and patents are retained by the licensee. Pilkington consider that this arrangement allows controlled development of composite products and a means of providing a secure market for the basic fibre.

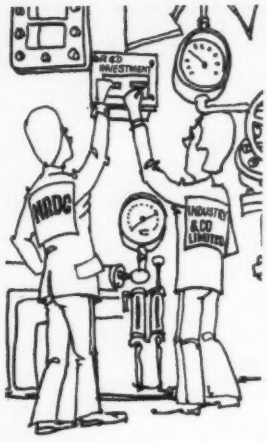
In addition to incorporation licences, another form of licence is granted to glass manufacturers who wish to make the fibres. This is seen as a potential source of revenue and as a vehicle for securing a worldwide place for the new fibre.

After six years of sustained effort, signs of success are now becoming evident. A trading operation has been established within the glass fibre division to build on the successful technical and market development work. The glass technology is being licensed to other companies in selected parts of the world. Major Japanese and US glass manufacturers have, for example, taken out licences. At least 200 companies, including more than 100 in 23 overseas countries, have taken out incorporation licences.

For as long as it was thought necessary tight security was maintained over the project. Secrecy was re-



Two applications for glass-fibre reinforced compositions. Left: An acoustic hood to house a compressor. Below: Cladding on a typical system-built house.



NRDC

garded as being of great importance where joint work is being undertaken between industry and Government research associations or universities. Although it may be considered by some that all knowledge is for the use of all mankind, Pilkington had to bear in mind that, in a competitive world, R and D has to be paid for in the same way as raw materials.

Sir Alastair Pilkington has stated that neither the glass fibre nor the cement industries had the expertise to tackle the problems which straddled both industries. 'It was through the initiative and knowledge of BRE that the alkali-resistant glass was discovered. It was through the NRDC that the gap between the initial discovery and its translation into a full-scale development project was filled through provision of risk capital. And it was through the availability of substantial resources and skills in glass research and development within Pilkington that a sustained large-scale project could be mounted.'

'Without NRDC intervention in getting the project under way and in supporting it throughout its life so far, the chances of success would be diminished,' commented Sir Alastair.

Information: Manager, Industrial Chemistry Group, NRDC.

Greater versatility for a low price

Squirrel-cage induction motors are simple, cheap and robust with no electrical connection to the moving part – and they give excellent electrical and mechanical performance. Understandably, therefore, these motors dominated industrial electrical drives throughout the world virtually unchanged for more than half-a-century – that is, until the recent arrival of PAM.

Despite its many admirable qualities, the squirrel-cage induction motor has one serious defect – it can only operate at a speed fixed by the supply frequency and the number of poles it contains: simple, cheap speed-changing versions have been developed, but only with a speed change in the ratio of 2:1. For many applications this limitation presents no problem, but there are other areas of activity where a greater variation in speeds is desirable, and this is where PAM scores.

PAM – pole amplitude modulation – is a new technique devised by Professor Rawcliffe and his colleagues at Bristol University. The distinct advantage of PAM is that, although in essence it is a single-winding induction motor, it can run at either of any two preselected speeds by the use of a simple switch. The extra cost of this facility, compared with that of a single-speed motor, is very small and considerably less than for a two-winding motor. Almost any speed-ratio can be obtained from a single-winding PAM induction motor. It is also possible to make three-speed single-winding induction motors with more complicated switching.

Pole amplitude modulation has now become a fully-established commercial reality – with the support of the National Research Development Corporation.

PAM motors present themselves for three broad categories of application:

a. As a cheaper and smaller replacement for any dual-wound motor.

b. As an alternative to a single-speed motor, at very little extra cost and only a small increase in frame size, but with enhanced performance and flexibility.

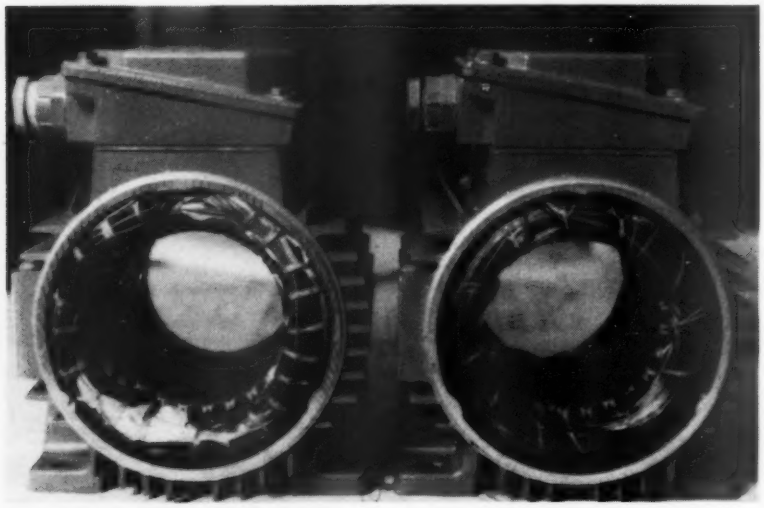
c. As an 'alternative speed' motor, particularly suitable for operations where single-speed working takes place for long periods but occasional alternative speed setting is required. This could be for summer and winter conditions or to allow for a change of material being worked. In such circumstances a PAM motor can be fitted with a conventional single-speed starter, and the connections changed at the motor terminals when the second setting is necessary. This involves no extra cost for control gear.

Many thousands of PAM motors, ranging in size from fractional horsepowers to more than 7,000 hp, are already in service. Sales are now well over the £2 million mark.

The patents and 'know-how' on PAM have been licensed by the NRDC to manufacturers in other leading industrial countries, including the United Kingdom. These manufacturers have the benefit of the work done at the University of Bristol, where a NRDC-supported research and development programme, aimed at constantly improving all facets of PAM techniques, has been carried out.

Manufacturers who have been licensed to manufacture pole amplitude modulated motors include: Thomas Broadbent Ltd., Brook Motors Ltd., Brush Electrical Engineering Ltd., Crompton Parkinson Ltd., Electric Construction Co. Ltd., GEC (Machines) Ltd., Laurence, Scott and Electromotors Ltd., Parsons Peebles Ltd., Small Electric Motors Ltd., Geoffrey Woods Ltd., Alsthom (France), Asgen SA (Italy), Ercole Marelli (Italy), Felten and Guilleaume (West Germany), Jeumont-Schneider (France) SICME (Italy), Leroy Somer (France), Siemens AG (West Germany) and the Westinghouse Electric Corporation (United States).

Information: Manager, Electrical Engineering and Electronics Group, NRDC.



Two LS80 frame motor stator windings by Leroy Somer. On the left a conventional single-speed winding, against a PAM two-speed winding.

A joint venture with industry

An aspect of the National Research Development Corporation's work which may not be so well known is its joint ventures with industry for the development of particular inventions. Under a joint venture arrangement NRDC shares with an industrial firm the cost of developing a new invention, machine or process. This is usually where there is an unusually high risk element or where the scale of investment required is more than the company could reasonably bear on its own.

One such joint venture, and a particularly important one at the present time with Britain's preoccupation with fully exploiting its offshore wealth, is Vickers Oceanics Ltd. This company was formed in 1972 by Vickers Ltd., James Fisher and Sons Ltd. and, of course, the NRDC, to provide various underwater services and to develop new techniques in this field. The company continued work began by the Vickers Group about four of five years earlier, when the Group sounded out the market for small submersibles. Vickers was the first British company to attempt a major breakthrough in this market.

Although only three years old, Vickers Oceanics is already prospering. This year two further surface support ships, with their attendant submersibles, have been put into service to augment the fleet of three surface support vessels. One of the three earlier support ships, the *Vickers Viking*, was introduced to operate in the North Sea during 1974 and the *Vickers Voyager* was taken on extended charter by British Petroleum Co. Ltd. for work in connection with the exploitation of the Forties oilfield. The *Vickers Venturer* has recently undertaken a series of charters for a variety of interests, including the Ministry of Defence. The two latest ships are the *Vickers Viscount* and *Vickers Vanguard*.

About a month ago, the firm introduced a new commercial service – that of transference of personnel and equipment to underwater chambers and vessels, as well as for examination and work on the underwater structures of offshore platforms.

Although the offshore oil industry has made most of the demands to date on Vickers Oceanics, the range of activities of the company will expand with the world's desire to know more of what lies under the ocean's surfaces and with attempts to exploit the wealth that rests there.

Earlier this year the company won a Queen's Award to Industry for technological innovation.

Information: Manager, Mechanical and Civil Engineering Group, NRDC.

Verisign – an effective tool against the criminal

With a growing use of bank cards and other forms of credit document there is an increasing attendant risk of abuse and fraudulent misuse of such systems. And there are other areas where a forged signature can gain for the writer unwarranted access to valuables, dangerous substances, classified information or even restricted premises or areas. Any means that can provide a high degree of verification that a signature is authentic must therefore be a useful tool in combatting the criminal.

Such a tool is Verisign, a computerised system for the automatic verification of signatures. The Verisign project was promoted jointly by the Department of Industry's National Physical Laboratory, the National Research Development Corporation and the Inter-Bank Research Organisation, which operates on behalf of the major UK clearing banks.

The purpose of the project, with its joint support, was to expand on early work at NPL to demonstrate the feasibility of automatic personal identification (API) systems using the written personal signature. The project was carried out at NPL in the Computer Science Division, where experimental equipment was used consisting basically of a computer-linked writing tablet designed by NPL and manufactured by Quest Automation Ltd. as the Datapad. Software was developed by NPL. With the system, to break it a person must have the ability both to forge the outline of a signature and write it in the correct way.

A Verisign operating station in use at NPL. In commercial practice a smaller and cheaper display panel would be employed.

To use the Verisign system a person must submit a set of specimen signatures against a file number. These are then analysed by computer. When wanting to obtain goods, services or access an owner must write his signature on the Datapad, which has an 'electrosensitive' writing surface, the signature then being immediately analysed by an on-line computer and compared with the specimens on the computer bank. A visual display unit indicates whether the signature is 'OK', is 'not acceptable' or that the client must sign again. In verifying a signature, the system utilises not only the shape of the signature but also the 'rhythm' with which it is written.

A great advantage of Verisign is that a 'hard copy' document containing a signature can be produced, providing proof that a transaction has taken place. The system is also capable of adapting itself to gradual permanent changes in a person's signature.

Compared with other methods of API, such as finger printing, signature writing is already socially acceptable to the ordinary person. The forger will not like it.

It is thought that a set of terminal equipment, comprising the pad with its electronics and the illuminated signs for guidance, might cost £200-£300 in moderate quantity production. Communications costs are very dependent on the situation. Although the data rate is well within the capacity of a telephone line, it might add significantly to the load on an existing communications network.

The processing load of the verification process is small and could be carried out in an existing main frame. Alternatively, an average minicomputer could service several signatures per second. The storage required per individual could be estimated at 20, 8 bit words and the program storage would be 12,000 such words.

The Verisign is now being tested in a number of 'real-life' situations to discover if there are any practical snags. Possible areas of application include control of access to premises and information, control of the issue of drugs, dangerous chemicals and other substances, and automated banking services.

The NRDC would now like to hear from manufacturers who would be interested in producing Verisign under licence, as well as from potential users.

Information: Manager, Computers and Automation Group, NRDC.

BOTB British Overseas Trade Board

'Expansion must be export-based' says BOTB chairman in 1975 report

Sir Frederick Catherwood, BOTB chairman, in his introduction to the Board's 1975 report writes: 'In the year ahead, it is likely that foreign markets will expand sooner and faster than the domestic market and any hope of expansion in business and employment must be export-based. Indeed it is difficult to see how we can achieve any real increase in our own standard of living without a very substantial improvement in our export performance. With this in mind, we have decided to hold export conferences in all the major industrial centres over the next 18 months to help exporters to get together and exchange ideas. It is hoped that these conferences will involve those from the shop-floor whose interest and help is vital if their company is to give the genuine commitment to overseas customers which a successful exporter must have.'

The British Overseas Trade Board's Report 1975, published this week, is the first one to appear under the chairmanship of Sir Frederick Catherwood, who replaced Lord Thorneycroft, the founder-chairman, in May of this year. The Report refers to the establishment of the British Overseas Trade Advisory Council, whose first meeting was held in London in June. The new Advisory Council, over which the Secretary of State presides, is made up of the members of the British Overseas Trade Board, the chairmen of its 16 geographical Area Advisory Groups, officers of appropriate associations, and additional members nominated by the Confederation of British Industry, the Trades Union Congress and the Association of British Chambers of Commerce. The Council's terms of reference require it to offer advice about the operation and development of the Board's services to industry; to act as a two-way channel between the Board and private enterprise; and to suggest specific measures which in the Council's view would improve Britain's overseas trading performance.

The major influence on the international trading scene in 1974 was the very steep increase in the price of oil, says the Report. Between 1973 and 1974 the oil deficit grew from £941 million to £3,446 million. The deficit in trade in goods other than oil also grew, from £1,360 million to £1,813 million, although the trend generally improved during 1974. The overall current account of the balance of payments was in deficit by £3,771 million in 1974, following the deficit of £1,113 million in 1973.

In the first half of 1975 the UK's trading position improved markedly. The terms of trade improved by 5 per cent from their level in the second half of 1974 and there was a 9 per cent fall in the volume of imports over the same period. The deficit on petroleum and petroleum products, which averaged £299 million per month in the second half of last year, ran at £241 million per month in the first six months of 1975. The balance of trade in other goods swung sharply between the same periods from a deficit of £145 million per month to a surplus of £42 million per month, while the monthly surplus on the 'invisible' account is estimated to have been maintained at around £120 million.

The Report predicts that the growth of exports in the near future will hinge critically on the upturn in world trade, and the fastest growing element in world trade over the coming 12 months will probably continue to be the imports of the oil-producing countries. A survey recently undertaken by the Committee on Invisible Exports suggests that private invisible receipts may increase by 13 per cent in 1975. This arises mainly as a result of price rises, but the growth in world trade should be beneficial in future years. The British Overseas Trade Board's promotional activity, says its Report, is to support worthwhile initiatives in all parts of the world where there is good business to be won, and where British firms are themselves making a substantial effort; its field is not restricted to Britain's major markets.

Services to exporters

Turning to the Board's various services for exporters, the Report shows that industry has increased its use of most of these. For example, new subscriptions to the Export Intelligence Service in the first six months of 1975 numbered 675 compared with 317 for the whole of 1974, to bring total subscriptions to 6,500, which covers firms responsible for around 80 per cent of British exports. During the 1974/75 financial year, 165 projects were approved under the Board's Export Marketing Research Scheme, and in the first six months of 1975 alone, 128 projects were approved. Since the scheme began the BOTB has supported 625 projects at a cost of £850,000, and the total number of firms that have benefited either individually or through their trade associations is about 8,500.

Overseas trade promotion

Last year the British Overseas Trade Board supported 6,088 firms at 318 overseas trade fairs in 45 different countries, and a record number (over 2,000) of British businessmen partici-

pated in outward missions. Some 400 overseas buyers of capital and consumer goods from all parts of the world visited Britain last year under BOTB's Inward Mission Scheme, and over 2,000 individual business visitors to the UK were given information and introductions to suitable UK firms. The Report also notes that the General Export Services Branch and the Export Sections of the Department of Industry's regional offices, which provide the main points of contact with industry, also have an increasing number of inquiries; the number of personal discussions with exporters rose by 38 per cent, requests for assistance from businessmen travelling overseas by 36 per cent, and from those seeking agents or distributors by 22 per cent.

Exports to Japan

The Exports to Japan Unit, states the Report, has achieved recognition in industry as a source of expert advice on the Japanese market and is increasingly utilised as the first port of call when companies are considering a move in that direction. The Unit was instrumental in setting up the Japan British Trade Group, a London-based group comprising representatives of the BOTB, the Japanese Embassy, the Japan Trade Centre, CBI and others, who meet from time to time to discuss mutual trading interests. The Unit's conference programme has covered some 20 functions, ranging in size from regional chamber of commerce meetings to a 'Japan in 1980' meeting which attracted an audience of 200 to a discussion of the Boston Consulting Group's report on the future of the Japanese economy.

The British Marketing Centre in Tokyo is now used by many British firms or their agents for individual company or group promotions which were impossible, or impossibly expensive, before the Centre was opened. Utilisation of the exhibition hall during 1974 reached 89 per cent of available days – a very high level indeed, comments the Report. Figures of business done at exhibitions held in the past year, and future prospects of business, in many cases far exceed the first expections of firms taking part, and a further 19 major exhibitions are in preparation.

Overseas Projects Group

The work of the BOTB's Overseas Projects Group has increased considerably over the last 12 months as a result of the growth of project business in OPEC countries, where the Group is following developments in over 140 major prospects. A report to the Group's Advisory Panel showed that British firms assisted by the Group had won contracts for large projects abroad worth £250 million in the period from the beginning of 1973 to 30 September 1974. It was estimated that every £1 which the Group cost public funds, helped to stimulate British exports worth £400. This report also showed that of the 155 projects in which the Overseas Projects Group had become involved in the period under review, 120 were in countries which had been designated as major markets for projects, and almost all were in sectors which had been given special priority, because they offered promising prospects and because there was a good UK capability.

European Components Service

The European Components Service, whose aim is to seek out export opportunities for British engineering components in Western Europe and match these with sources of supply in the UK, has extended its field of operation to include the offshore oil industry. The BOTB's Report 1975 says that an investigation is being done in liaison with the Offshore Supplies Office of the Department of Energy, with a view to locating opportunities for British component supplies to European firms in the industry.

Invisible exports

In the field of invisible exports, the Board's officials continued their programme of visits to firms in the service industries, and a substantial increase was recorded in the number of firms in the sector who approached the Board for assistance. Following the success of seminars organised by the Committee on Invisible Exports and assisted by the Board in Rio de Janeiro and Jakarta during 1974, and in Cairo, Tokyo and Seoul early in 1975, others being planned for later in the year. Following the Jakarta seminar a group of Indonesian specialists in project finance, shipping and commodity trading visited the City of London under the Board's Inward Mission Scheme, sponsored by the Committee on Invisible Exports. It was the first venture of its kind, says the Report, and proved most successful; similar inward missions have come from Belgium and Brazil during the course of 1975, and others may follow.

A special tribute is paid in the Report to the Commercial Departments of overseas posts, whose staff continue to play a full part in helping individual business travellers; in sending back a constant stream of commercial intelligence, and in support of overseas events such as trade fairs and outward missions.

Training for export

The Report summarises steps taken during the year to implement the Board's policy on training for export, which is based on the Liston *Report on Education and Training for Overseas Trade*. An Education and Training Panel has been set up, and a new 'Foundation Course in Overseas Trade' has been developed by a working party of the Institutes of Export, Freight Forwarders, and Marketing, and the Society of Shipping Executives, under BOTB chairmanship. Much will depend, says the Report, on the support of industry and commerce for the new course, but some 40 colleges and polytechnics are already offering it. The Board also contributed to the cost of industrial studies in Japan for a party of London Business School students and young managers; to a work experience programme in West Germany for a group of sixth form students; and to a pilot programme of seminars organised by the Administrative Staff College, Henley, for top businessmen, mainly from medium-sized companies, extending their interests in overseas markets or entering them for the first time.

The Report refers to the Board's close co-operation with Export Clubs, with non-official trade organisations both at home and abroad. The British Standards Institution's Technical Help to Exporters service, which is supported by the BOTB, now largely directs its efforts towards meeting the expressed needs of industry, such as new services to provide advance information concerning changes in technical requirements. The Simplification of International Trade Procedures (SITPRO) Board has continued its work in rationalising documentation and procedures, and has maintained and extended its working contacts with other national facilitation organisations formed on the SITPRO pattern (eg COSTPRO Canada, JASTPRO Japan).

The BOTB's Report 1975 concludes with lists of members of all the Board's 16 Area Advisory Groups, together with a brief indication of group activities during the past year.

Copies of the British Overseas Trade Board's Report 1975 are available from the Publicity Unit, Room 231A, 1 Victoria Street, tel. 01-215 3221.

Exhibitions and Fairs

Top quality British hi-fi equipment introduced at Sydney and Melbourne

From Alan White, Consul (Commercial), Sydney: More than 20,000 visitors to this year's Australian Hi-Fi Shows held in Sydney from 5-7 September and Melbourne, from 19-21 September, saw and heard some of the best sound reproduction equipment available in the world today. The shows organised by Australian Hi-Fi Publications Pty. Ltd., the publishers of *Australian Hi-Fi* and *Australian Stereo Buyers Guide* are held annually in each of the state capitals and provide a unique opportunity for hi-fi equipment manufacturers, importers and distributors to launch new products and place their latest developments before their professional and domestic customers. These are truly international events, with equipment on display from Britain, Germany, USA, Japan, Sweden, Denmark and Italy.

As a follow up to the successful token participation at the Australian Hi-Fi Show in Melbourne last year, the Association of Public Address Engineers and the British Overseas Trade Board jointly sponsored seven UK companies at the Sydney and Melbourne Shows.

The British contingent

The British contingent of Keith Monks Audio, North East Audio, Rola Celestion, Gale Electronics, Musonic, Linn and Millbank Electronics showed a wide range of speakers, turntables, cassette tape recorders, amplifiers and accessories. In addition, equipment from Goodman, B and W, Garrard and Spendor was also prominently displayed on their agents' and distributors' stands, and British equipment compared more than favourably with that shown by competitors from other countries.

Most of the British companies were already represented in Australia. Neal and Keith Monks (Audio) soon started discussions with potential agents. Sales are not permitted at the audio shows, but many serious trade inquiries were received by the British exhibitors, three of which are likely to result in sales totalling over £35,000. All expressed satisfaction with their participation. The main object of participation in the events, the introduction of top quality British hi-fi equipment to the Australian market, was fully realised, with Gale, Linn and Neal in particular drawing favourable comment. Accessory equipment, such as record cleaning equipment produced by Musonic and Keith Monks, also caused considerable interest.

The pleasures to be gained by listening to high-fidelity music in the home are only now begining to be realised in Australia and the hi-fi shows provide a first class venue for British equipment manufacturers to take advantage of this changing situation. Our competitors, including such well known companies such as Akai, AR, Avid, Fisher, Bose, JVC, Marantz, Technics, Sherwood, Yamaha, Voxson, and Sonab, are all active in the market and are regular participants in the audio shows.

Spotlight stays on Helsinki for international technical fair

From J. B. Midgley, Second Secretary (Commercial), British Embassy, Helsinki: Following hard on the heels of the European Security Conference, interest in Helsinki was maintained through the International Technical Fair. This took place from 9-13 September at Messukeskus, the new Fair Centre, which opened last February. It is the main Finnish Trade Fair and as expected attracted a large number of visitors and exhibitors. Despite the increased display area, many would-be exhibitors were unable to obtain space, and others were forced to scale down the size of their stand areas. Consequently the Finnish Fair Corporation has now decided to make this an annual, instead of a two-yearly event.

The Fair was opened by the Finnish Foreign Minister, Olavi J. Mattila. The net exhibition area was almost 20,000m² and the 259 exhibitors displayed the products of almost 1,600 domestic and overseas firms. As the general public was excluded, all the 102,000 visitors (a record for any fair or exhibition in Finland) represented potential customers.

There were eight official stands, comprising those of Britain, Austria, Bulgaria, Czechoslovakia, the Federal Republic of Germany, the German Democratic Republic, Poland, and Hungary. The large and well presented British display was organised by the Birmingham Chamber of Commerce under the British Overseas Trade Board joint venture scheme. A further 180 British firms were represented on the stands of their agents.

Martin Berthoud, Commercial Counsellor at the British Embassy, escorted the Foreign Minister, who was accompanied by the Mayor of Helsinki, Teuvo Aura, on their tour of the British stand.

The British participants at the joint venture stand expressed satisfaction at having taken part in the exhibition. Although no substantial orders were taken, the volume and level of serious inquiries received was impressive. The hope and expectation is that sales will follow, despite some recent slowing down in the Finnish economy. Some unrepresented firms found agents, and others are in touch with potential representatives.

The Helsinki International Technical Fair proved itself, to exporters both old and new, to be an important forum in which to capture the interest of Finnish customers; it thus spotlighted the fact that Finland remains a worthwhile and rewarding market.

Buoyant mood at Chicago's marine show

From Harry R. Hall, Vice-Consul (Commercial), British Consulate-General, Chicago: If the United States is in a recessive period it was certainly not evident at the Chicago Marine Trades Exhibition and Conference which was attended by over 30,000 visitors from all parts of the USA and overseas. Visitors and exhibitors alike were in a buoyant mood and this particular show was perhaps the liveliest ever staged by the boating industry in the United States. The chairman of the MTEC has gone on record as saying that if this show is not a vote of confidence in the future he doesn't know what is. Never before have we launched a model year with a show like this. It was the biggest ever.

McCormick Place on the lake was again the setting for the MTEC show: often called 'The Big One'. There are several boating equipment shows held in the United States, but the Chicago event is by far the largest.

There were 800 exhibitors, on all three floors of the exhibition hall. Some 640,000 sq. ft of floor space was utilised.

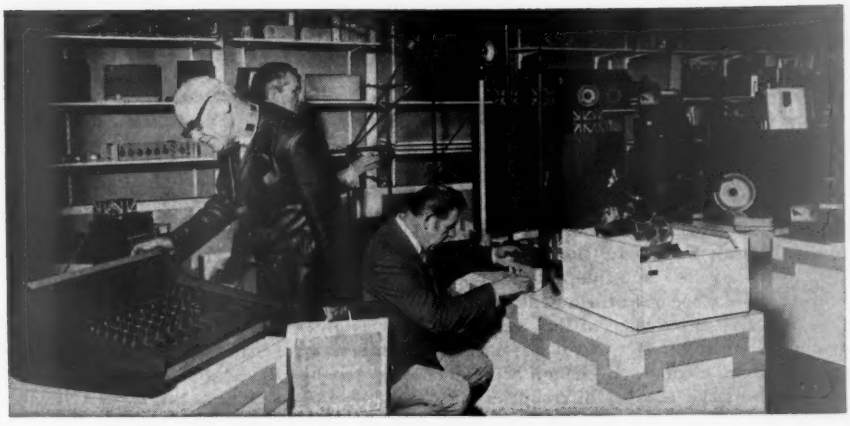
Among the exhibitors there was a British contingent of 19 firms who were displaying a broad range of marine equipment and boats and who in the wake of a recession were here to take advantage of the market to which they obviously attach great importance, as evidenced by their participation during the past several years. They were here in a joint venture sponsored by the Ship and Boat Builders National Federation and supported by the British Overseas Trade Board.

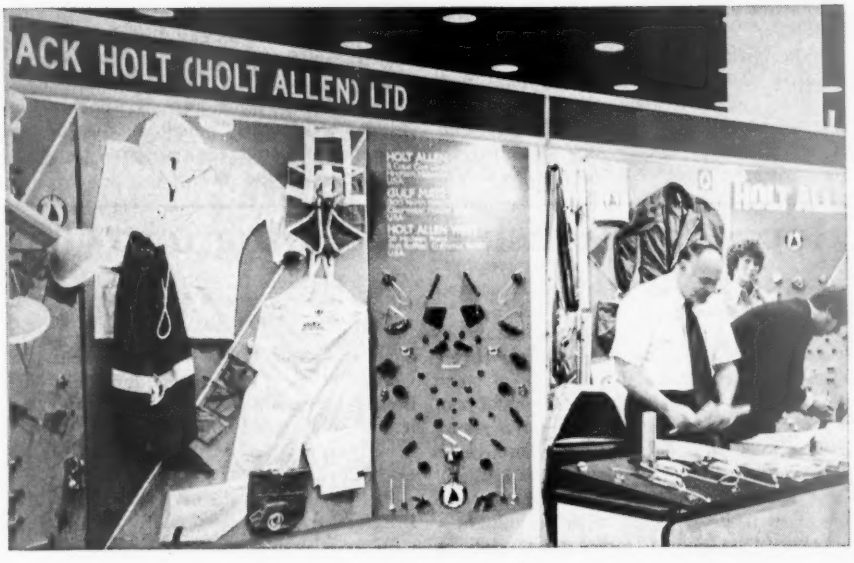
The British group's stand modules were exceptionally well designed. Numerous comments, all favourable, were made by visitors and other exhibitors around the exhibition. The British exhibitors, most of whom are already well established in the market, set out to increase their market share. Without exception all indicated that they had achieved their planned objective by the end of the exhibition. Several increased their distribution network in the USA and others wrote firm business, totalling well over $\$\frac{1}{2}$ million, with good prospects for much more to come. They had good reason for their optimism, as evidenced by the large number (500) of inquiries which they also received, and they felt confident of results in firm business.

According to industry experts in the United States, sales of recreational boating industry products are showing considerable growth and are likely to do so for several years to come. It was reported at the last accounting that retail sales for boating equipment for 1974 totalled some $\$4\frac{1}{2}$ billion. However, unit sales were reported to have increased only slightly over the 1973 period. Inflation is considered to be the largest single factor contributing to the substantial increase in dollars which were spent on a retail level.

Despite this, both unit sales and dollar volume are expected to show an increase for 1975, with the prospects for 1976 even better. Against this background, the British exhibitors were enormously enthusiastic, and Jim Mendham of Jack Holt Ltd., the appointed spokesman for the British group, when interviewed, left no doubt about future participation in the exhibition and the market by British manufacturers.

The next event will again be held in Chicago's lakefront exhibition hall at McCormick Place, from 30 September to 3 October 1976.





Above
One of the joint venture stands at the Australian Hi-Fi Show, held in Melbourne from 19-21 September, and also in Sydney from 5-7 September.

Centre
One of the British joint venture stands at the Chicago Marine Trades Exhibition, held from 18-21 September.

Below
From left to right: Teuvo Aura, Mayor of Helsinki, Miss Thelma Palmer, from the Birmingham Chamber of Commerce and Industry, Olavi J. Mattila, Finnish Foreign Minister, and Martin Berthoud, Commercial Counsellor, British Embassy, Helsinki, at the Helsinki International Technical Fair, held from 9-13 September.

Largest UK participation ever in Cologne's world food fair

From Hilda Mock, Commercial Department, British Embassy, Bonn: ANUGA 1975, with its new sub-title 'World Food Market', took place from 13-18 September in Cologne. The importance of the event was demonstrated by the fact that it was opened by the Federal Chancellor, Helmut Schmidt, and by the large number of countries and firms who participated in this fair. More than three thousand companies from 78 countries, exhibited their goods in 14 halls of the Cologne fairground.

For the first time in the long history of ANUGA, the Cologne fair authorities, together with representatives of German industry and trade, decided to make it a trade only event, to avoid disturbing business discussions on the stands. This they had hoped to achieve among other measures by increasing the entrance fee for a single visit to DM12.00. Despite this, the first two days, a weekend, attracted a number of visitors who quite clearly were members of the public. This resulted in some criticism on the part of the trade exhibitors and press, and the organisers were requested to take steps to avoid access of the public at future events.

Another new venture at this year's ANUGA was its division into three sections; 'CONSUMA', for food and non-food items, 'TECHNICA", for machinery, and 'SYSTEMA' for the catering trade.

The United Kingdom was represented with 59 companies – the largest British participation in ANUGA ever – on a joint venture stand in 'CONSUMA', and by four exhibitors in 'SYSTEMA', which were sponsored by the British Food Export Council and the London Chamber of Commerce respectively in conjunction with the BOTB.

When Lord Donaldson of Kingsbridge, Parliamentary Under-Secretary of State in the Northern Ireland Office with special responsibility for agriculture, visited all of the British stands, British exhibitors were full of praise about the generous design and attractiveness of the British stand. The range of British food and drink on display included deep-frozen fruit and vegetables, potato products, pizzas, fish and shellfish, game, poultry, ice cream, fresh meat, cheese, bread, canned foods, preserves, sauces, biscuits and confectionery, soft drinks, beers and whisky. The atmosphere in the British section was one of business right from the beginning to almost the last hour of the event. Visitors to the British stands came from all European countries and many countries outside Europe including the United States, Japan, Australia and South America.

Hopes for British cars driving into Germany

From Harry Homann, British Consulate-General, Frankfurt: The stands of more than 50 British firms played a prominent part in this important international motor show, which took place in Frankfurt from 11-21 September.

It is no secret that most exhibitors came to the show with somewhat mixed feelings, at a time when newspapers carried gloomy articles about world-wide economic recession. But to everyone's surprise the motor show was crowded with visitors from the first to the last day, when a grand total of just over 800,000 was counted, an increase of 50,000 over the 1973 show. Most exhibitors were delighted with the interest shown in their products; and the level of serious inquiries received and firm orders booked has in most cases well exceeded their expectations.

More than nine hundred exhibitors, including 349 foreign firms from 27 countries, displayed their products on a net exhibition area of 163,000m², of which about 121,500m² were in 15 halls. Visitors' attention was focused on two British cars which were shown in Frankfurt for the first time: the eye-catching Jaguar V12 XJ-S GT, which made its European début and the Rolls-Royce Camargue, which was the most luxurious and expensive car at the motor show. These fine examples of British engineering and craftmanship drew a great deal of favourable comment in the German daily press and in trade journals, and the number of inquiries and orders received, particularly for the Jaguar XJ-S GT, gives every reason to believe that it will drive in top gear into the German market.

The majority of exhibitors were manufacturers of motor vehicle parts, components and accessories, as well as vehicle maintenance and repair tools and equipment, for which Germany, with its high level of motorisation, remains a very lucrative market. So it was no surprise that most of the British firms participated in these sections of the exhibition.

As at previous Frankfurt motor shows , the British Overseas Trade Board collaborated with the Society of Motor Manufacturers and Traders (SMMT) to sponsor and organise several joint venture stands, on which 51 British companies displayed their products. These ranged from a luxury coach and articulated trailers, to motor vehicle parts and components, car accessories, safety seats for children, vehicle maintenance and repair equipment and tools, exhaust systems, engine testing instruments and reconditioning machines.

Comments on the business done and success achieved by British exhibitors were generally favourable, if not enthusiastic. One of the features of this motor show was the attendance of a high proportion of trade buyers from many overseas countries, which enabled a great number of the British joint venture exhibitors to meet existing and potential customers from all over the world. Several firms received inquiries and orders from countries as distant as Australia, Japan, Canada, South Africa and from the Middle East. A number of British exhibitors took the opportunity of strengthening their existing distribution arrangements in the German and other overseas markets, or to open negotiations with agents and importers from other countries in an attempt to develop additional export markets.

The lively business done at Frankfurt has encouraged practically all the joint venture participants to declare their intention of exhibiting at the next Frankfurt International Motor Show, which will be held in September 1977.

British joint venture groups in Japanese trade fairs

Under the direction of the British Overseas Trade Board, British joint venture groups are taking part in three major Japanese trade fairs in September and October.

Medical equipment

The first event, the British Export Marketing Centre Medical Equipment Exhibition and Seminar, took place in Tokyo from 9-13 September. The BOTB, in association with the British Hospitals Export Council, organised a display of the products of 16 of the UK's leading developers and manufacturers of medical equipment. Of special interest among the exhibits on show for the first time in Japan was a revolutionary piece of diagnostic equipment for the investigation of brain tissue.

A seminar ran concurrently in support of this all-British event; the main speaker was Professor Alexander Crampton Smith, Nuffield Professor of Anaesthetics at Oxford University.

Fluid power

A joint venture group of eight British firms exhibited at the International Fluid Power Exhibition from 16-21 September, with the backing of the BOTB and sponsored by the Association of Hydraulic Equipment Manufacturers. British firms regularly participate in this established bi-annual exhibition, held at the Harumi International Fair Ground. Their exhibits this time include cylinders, shock absorbers, valves and filters.

Scientific instruments

The third fair, the 15th All-Japan Scientific Instruments Show ran in Tokyo from 6-10 October. For the first time, this exhibition, which takes place annually at the Harumi International Fair Ground, has been open to non-Japanese firms. A British group, comprising 16 companies, directed by the BOTB in co-operation with the Scientific Instrument Manufacturers Association, is among those taking part.

Impressive range of UK equipment at Airport 1975, Brussels

From R. W. James, Commercial Department, British Embassy, Brussels: The autumn exhibition season at the Brussels Palais Du Centenaire opened on 15 September with an important international event, the third International Airport Construction and Equipment Exhibition, 'Airport 1975'. It was being held in Belgium for the first time concurrently with the 15th Annual Congress of the International Civil Airports Association (ICCA) who also sponsored the exhibition. The opening ceremony was performed by the Belgian Minister of Communications.

Some 130 exhibitors occupied 9,000m² of space at Airport; 15 nations were represented. The most impressive national grouping was undoubtedly the British joint venture, sponsored by the British Overseas Trade Board and the London Chamber of Commerce, in which 25 British companies participated. There was also an important Canadian national group, and smaller ones from Denmark and Sweden. Although full details are not yet available, the visitors, the majority of whom had a direct purchasing interest, came from more than 50 countries.

The range of equipment on display was impressive, reflecting many areas of airport design, construction and maintenance, from passenger baggage and cargo handling, communications and landing systems to scanning and detection devices, furniture, and catering equipment.

The products displayed on the stands of the large official British group (there were also several British companies exhibiting separately) reflected this diversity. Most of the companies in the joint venture either did good business on the spot, or received worthwhile inquiries likely to lead to subsequent orders. Several companies, however, and this is doubtless a reflection of the economic situation and of the difficult and uncertain period through which the aviation business is currently passing, did not believe that their participation had been worthwhile. The British Ambassador, David Muirhead, visited the joint venture on 16 September.

There is no doubt that this specialist exhibition was able to attract the type of international audience which was essential to its success. The next Airport will probably be held in Vienna in 1977.

Designers add to invisible exports

From G. C. A. Mulder, Vice-Consul (Commercial), British Consulate-General, Amsterdam: Thirty-two freelance British professional designers, two more than at previous occasions, held Design-In 4, a selling exhibition, at the International Textiles Building, Amsterdam, from 18-19 September.

The event, sponsored by the British Textile Confederation in a joint venture with the British Overseas Trade Board, was organised by M.S.T. Design Associates.

On display for invited commercial buyers only were new designs for textiles, wall-paper, floor coverings and other consumer goods. Before the opening the organisers expressed their concern about the apparent recession in the trade but they were pleased to see roughly the same number of visitors as last year, including buyers from the USA, Canada, and Japan. Provisional figures confirm that total sales at nearly £3,000 at least equal those of last year. Further follow-up sales are expected.

It was felt that many buyers realised that in the present state of recession, it is sometimes worthwhile to offer a larger range of designs, perhaps at a smaller run for each design, to cope with the more selective demand of regular customers.

Nearly half of the designers exhibiting are regular participants in Design-In, which in the four years of its existence has proved to be a successful promotion for exports of British design services. Some overseas buyers already make reservations for being at Amsterdam at the right moment for this annual British export presentation, at one of the international meeting places of the clothing industry.

Luxury goods at Dubai

A British Luxury Fair is to be held at the Inter-Continental Hotel in Dubai from 29 January to 1 February 1976. This event, although not supported by the British Overseas Trade Board, is sponsored by the London Chamber of Commerce and Industry. It is a rare opportunity for the top quality manufacturers and retailers of luxury goods and services to do business and establish contacts with local VIPs, industrialists and traders in the Middle East.

Range of exhibits will include jewellery, gold and silver ware, china, glass, watches and clocks, objects d'art, fine arts, furs, fabrics, furnishings, and sporting equipment, together with service organisations such as interior decorators, landscape designers, architects and property consultants. Further details from the organisers: OSIC Ltd., 19/24 St. George Street, London W1R 9RE, tel. 01-409 0426/01-493 1189, telex 261387.

Iran specialised fair

The British Overseas Trade Board will organise a British pavilion at the Tehran International Modern Technology Fair from 28 April-5 May 1976, provided there is sufficient response from industry. The fair is one of a programme of new specialised fairs being organised by Iran, and presents British manufacturers of highly advanced equipment and machinery of virtually all descriptions with an opportunity of penetrating this most lucrative market for British exports.

There is a tremendous potential for expanding British trade with Iran and Iran's needs are many and diverse: the emphasis throughout is on replacement of skilled manpower, in very short supply in Iran, by machines.

The fair covers such topics as automation and control engineering; computerised medical equipment; freight handling; traffic control; computer-controlled textile machinery; computers and their peripheral equipment; chemicals and pharmaceuticals and electronics.

For further information and details of the support offered by the BOTB, contact G. A. Casburn, Room 115, Hillgate House, 26 Old Bailey, London EC4M 7HU, tel. 01-248 5757 ext. 602.

British clothing manufacturers in Beirut

The British Overseas Trade Board is supporting a group of 21 clothing manufacturers, in association with the Clothing Export Council, at the third Mo.Fi.Tex clothing and fashion exhibition at the Holiday Inn, Beirut from 30 October to 3 November. This is the first time that the BOTB has arranged a joint venture at this exhibition, which attracts buyers from throughout the Middle East.

Trade Information

Peter Shore visits Israel

Peter Shore, Secretary of State for Trade, is currently on a visit to Israel (from 6 October to 10 October), for talks with the Israeli Government on a wide range of international, as well as bilateral, economic topics, and for meetings with Israeli businessmen.

Mr. Shore's programme has included meetings with Israeli Ministers, including the Prime Minister, Mr. Rabin, in Jerusalem; a lunchtime speech to the Anglo/Israeli Chamber of Commerce in Tel Aviv, and a tour of chemical and phosphate plants in the Negev and at Oron.

Colour TV tubes and sets – Import surveillance licensing to be introduced; Anti-dumping investigation concluded

The Department of Trade is to introduce a system of import surveillance licensing on imported colour TV tubes and colour TV sets.

The arrangements, details of which will be announced in a 'Notice to Importers' shortly, will require importers to obtain individual import licences. The Department will issue licences freely subject to the provision of information about contracts and orders.

The aim of the new arrangements is to enable the Department to monitor more closely imports of colour TV sets and colour TV tubes.

Anti-dumping investigation

The Department also announces that it has concluded that there has been no evidence of dumping of colour TV tubes imported from Japan such as to justify the imposition of anti-dumping duties.

This conclusion follows a full investigation by the Department under the Customs Duties (Dumping and Subsidies) Act 1969, announced on 20 March 1975.

The investigation followed an application alleging that colour television tubes were being imported from Japan at prices which constituted dumping and that as a result the British industry was suffering material injury.

Application for reimposition of import duty on EEC goods and associated reductions of duty on non-EEC goods

The Department of Trade has received applications for the reimposition of the United Kingdom 'M' and 'full' rate of duties with effect from 1 January 1976 on the following items; this is in response to the notice of the Annual Review in *Trade and Industry* on 22 August 1975.

Tariff heading	Description	Reference
68.13	Asbestos paper, rubber impregnated, in rolls, being not less than 0.55mm and not more than 0.85mm in thickness, weighing not less than 500g and not more than 820g/m², and having a loss on ignition at 1,000°C of not less than 24.0% by weight and not more than 32.0% by weight for use in the production of cushioned vinyl flooring	T 10254
76.03	Sheets of aluminium alloy, in coils; of a width of not less than 1,200mm and not more than 2,471mm and a thickness of not less than 2.5mm and not more than 8mm containing not less than 0.5% and not more than 6% by weight of magnesium as the major alloying element	T 14789
	Sheets of aluminum, unalloyed, in coils; of a width of not less than 1,200mm and not more than 2,471mm and a thickness of not less than 2.5mm and not more than 8mm	T 14789
81.04	Titanium alloy containing not less than 5.0% nor more than 7.0% by weight of aluminium, not less than 3.0% nor more than 5.0% by weight of vanadium, as the major alloying elements, being in the form of blooms not less than 140cm nor more than 320cm in length, not less than 38cm nor more than 48cm in width and not less than 30cm nor more than 48cm in thickness	T 12698

Representations should be addressed to Department of Trade, General Division, Kingsgate House, 66/74 Victoria Street, London SW1E 6SJ giving the reference shown above. These should be received by 24 October 1975.

Notices to Importers

Issued by the Department of Trade, Import Licensing Branch, Charles House, 375 Kensington High Street, London W14 8QH.

No. 1514: Imports of bananas from the Dollar Area

The basic quota for imports of fresh bananas, originating in the Dollar Area, during the 12 months from 1 October 1975 to 30 September 1976 is 4,000 tons.

Applications from current licence holders for allocations from the 4,000 tons available for importation under the quota must be accompanied by a statement, in the form shown below, of imports in the period 1 October 1974 to 30 September 1975 of fresh bananas originating in the Dollar Area. Applicants who qualify will be informed of the amount of the allocation that will be reserved for them.

No guarantee can be given that it will be possible to meet requirements in full or that importers can be granted the same allocation as they have received previously. Applicants are advised not to enter into firm commitments before they have received notification of their allocation from this Department.

Import licences will be issued to importers against their allocations on production of evidence of a firm contract with the overseas supplier for the amount of the licence. Any balances of allocation which are not taken up before 1 March 1976 will be available for re-allocation and may be allocated to other applicants.

Applications on form ILB/A accompanied by the state-

ment of imports referred to in the second paragraph above should be sent to reach the Department of Trade Import Licensing Branch not later than 24 October 1975. Page 1 of the form should be completed; on page 2 only the amount applied for, in tons, need be stated; on page 3 and copy, the applicant's name and address, description of goods (fresh bananas) and tariff heading ex 08.01 should be entered.

The Open General Import Licence defines the Dollar Area as Bolivia, Canada, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Republic of Honduras, Liberia, Mexico, Nicaragua, Panama, Philippines, United States of America, Venezuela.

Notice to Importers 1446 about imports of plantains from the Dollar Area still applies.

Applications for import licences for dried bananas from the Dollar Area should be made to Import Licensing Branch as hitherto.

Form of statement required under the terms of the second paragraph of Notice to Importers

I/We declare that the quantities of fresh bananas originating in Dollar Area Countries whether or not consigned direct from the country of origin, which were cleared through United Kingdom Customs by me/us acting on my/our own behalf or by a clearing agent on my/our behalf were as stated below:

1 October 1974-30 September 1975
(tons)

Signed: .....

Date: .....

Status: .....
(Owner, partner, company director or secretary)

Inquiries: Import Licensing Branch, tel. 01-603 4644 ext. 281.

ECGD general purpose lines of credit

The table below lists lines of credit guaranteed by the Export Credits Guarantee Department under which there is capacity for further export business to be financed.

Departmental reference	Tel. extn. ECGD HQ	Recipient	UK Bank	Purpose	Loan value £m	Minimum single contract value £000's	Final date for entering into contracts
LC 263	7171	Algeria	Lloyds Bank Ltd.	Capital goods and associated services	10	10	Subject to extension 31 December 1975
LC 319	7369	Brazil	Schroder Wagg	Capital goods and associated services	5	10	30 September 1976
LC 435	7369	Brazil	Barclays Bank International	Capital and semi-capital goods	2.5	10	31 May 1976
LC 454	324	Brazil	Lloyds Bank Ltd.	Capital and semi-capital goods	2.5	10	30 September 1976
LC 434	7154	Cuba	National Westminster	Capital goods and associated services	7	10	Extended to 31 January 1976
LC 417	7302	Czechoslovakia	National Westminster	Capital plant and equipment and associated services	2	5	19 July 1976
LC 476	7340	Finland	Scandinavian Bank	Capital goods and associated services (Oy Wartsila)	4	10	21 May 1976
LC 446	615	France	Williams and Glyns	Capital goods and associated services	2	10	31 March 1976
LC 504	615	France	National Westminster	Capital plant and equipment and associated services	1	10	31 January 1976
LC 396	7302	German Democratic Republic	National Westminster	Capital plant, equipment and associated services	2	10	9 April 1976
LC 324	615	German Federal Republic	Lloyds	Industrial plant and machinery	5	10	Extension under consideration
LC 521	615	German Federal Republic	National Westminster	Plant and equipment and associated services	3	10	30 April 1976
LC 436	7302	Hungary	Morgan Grenfell	Capital plant and equipment and associated services	3	5	31 July 1976
LC 333	615	Irish Republic	Williams and Glyns	UK plant and equipment and associated services	1.5	10	30 September 1976

continued

British and French export credit heads . . . Kenneth Taylor (left), head of the Export Credits Guarantee Department, and Francis Gavois, leader of the French delegation, during a break from Anglo-French talks on credit insurance and export finance matters of mutual interest. The talks were held recently at Bristol.

Departmental reference	Tel extn. at ECGD HQ	Recipient	UK bank	Purpose	Loan value £m	Minimum single contract value £000's	Final date for entering into contracts
LC 440	615	Irish Republic	National Westminster	UK plant and equipment and associated services	2.5	10	31 July 1976
LC 441	615	Israel	Rothschilds	Capital goods and associated services	3	10	Extension under consideration
LC 443	615	Israel	Warburgs	UK capital goods and associated services	3	10	21 September 1976
LC 449	615	Israel	Charterhouse Japhet	Capital goods and associated services	3	10	31 July 1976
LC 468	615	Israel	Rothschilds	Capital goods and associated services	1	10	31 March 1976
LC 456	7467	Kenya	Morgan Grenfell	Capital goods and services	1	75	1 August 1976
LC 471	441	Korea South	Lloyds	Capital goods and associated services	4	50	29 February 1976
LC 502	441	New Zealand	Lloyds	Capital goods	2	10	31 March 1976
LC 332	7153	Peru	Schroder Wagg	Capital equipment and small projects	1.5	10	7 May 1976
LC 375	7153	Peru	Lazards	Capital plant and equipment	1	40	Extension under consideration
LC 489	7153	Peru	Schroder Wagg	Capital plant and equipment and associated services	1.5	40	25 May 1976
LC 428	7154	Poland	National Westminster	Capital goods and associated UK services	20	50	20 March 1976
LC 429	7154	Poland	Midland Bank Ltd.	Capital goods and associated services	10	10	10 June 1976
LC 478	7154	Poland	Lloyds Bank Ltd.	Capital goods and associated services	2	10	13 March 1976
LC 520	7154	Poland	Lloyds Bank Ltd.	Capital goods and associated services	15	100	13 March 1976
LC 310	698	Portugal	Rothschilds	Industrial plant and machinery	5	25	30 November 1975
LC 406	698	Portugal	Midland	Capital plant and equipment	3	25	31 October 1976
LC 420	7302	Romania	National Westminster	Capital goods and associated services	6	5	31 May 1976
LC 505	7302	Romania	Lloyds Bank Ltd.	Capital goods and associated services	2	5	30 June 1977
LC 510	7302	Romania	Barclays Bank International	Capital goods and associated services	3	5	30 May 1977
LC 314	7152	South Africa	Hill Samuel	UK goods and associated UK services primarily for use on various railway projects	18	80	22 April 1976
LC 397	7152	South Africa	Hill Samuel	Capital goods and related services for the electric supply undertaking operated by ESCOM	5	100	Extension under consideration
LC 495	7152	South Africa	Schroder Wagg	Capital goods and associated services	10	15	28 February 1977
LC 518	7152	South Africa	Schroder Wagg	Heavy construction equipment including bulldozers, batching plants and pavers	0.5	25	20 August 1976
LC 550	7152	South Africa	Hill Samuel	Railway equipment	10	100	1 September 1976
LC 382	7340	Spain	Hill Samuel	Capital goods and associated services	5	10	31 December 1975
LC 421	7335	Spain	National Westminster	Capital goods and associated services	1	10	30 April 1976
LC 444	698	Spain	Lloyds	Capital plant and equipment	5	10	28 February 1976
LC 558	698	Spain	Tozer Standard and Chartered Ltd.	Capital plant and equipment	0.5	10	17 January 1977
LC 307	7340	Sweden	Midland	Capital plant and equipment	1	100	20 June 1976
LC 553	7340	Sweden	Lloyds	Capital plant and equipment	1	10	15 December 1976
LC 486	287	USA	Morgan Grenfell and Co. Ltd.	Capital goods	2	100	1 March 1976
LC 508	287	USA (for buyers in USA, Canada, Mexico, Venezuela, Brazil or Colombia or in markets later approved by ECGD)	National Westminster	UK goods and associated services	1	10	15 July 1976
LC 523	7302	Yugoslavia	Barclays Bank International	Capital goods and associated services	8	10	30 April 1976
LC 208	7152	Zambia	Tozer Standard and Chartered Bank	Capital goods and services for development of open-cast and underground mining (Nchanga Consolidated Copper Mines Ltd.) (Supplemental)	2.4	50	31 December 1976

Requests for further information on any of these lines of credit should be made to the bank concerned or to Export Credits Guarantee Department, PO Box 272, Aldermanbury House, Aldermanbury, London EC2P 2EL (tel. 01-606 6699 extensions as listed in the second column).

Exporters, when negotiating business which might be financed under one of the above lines of credit, should ensure that their contract price contains sufficient margin to cover the cost of any premium payable. These details can be obtained from the bank concerned.

'Opportunity Germany': London seminar

The London Chamber of Commerce and Industry is holding a one-day seminar on trading with West Germany, entitled Opportunity Germany, at the Cafe Royal, Regent Street, on 29 October 1975. The seminar will be chaired by Sir Peter Tennant, chairman of the West European Committee of the chamber, and Sir Frank Roberts, vice-president of the German Chamber of Commerce. Speakers will include the German Ambassador, Herr Karl-Gunther von Hase; Mr. I. R. G. Ferguson, Urwick International; Mr. Z. Steffens, Dresdner Bank, and Mr. J. A. Stewart, Confederation of British Industry.

Details are available from Miss A. Russell, West European Section, London Chamber of Industry and Commerce, 69 Cannon Street, London EC4N 5AB (tel. 01-248 4444 ext. 124).

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Addresses of ECGD offices

The Export Credits Guarantee Department (ECGD) is a Government Department providing export credit insurance for United Kingdom exporters and insurance against political risks for new investments overseas. Although credit insurance is its main service to exporters the Department offers them a number of others. Firstly the Bank Guarantee scheme enables exporters who are eligible to obtain export finance from their bank at a special low rate. Major projects carried out by British firms in overseas countries can be financed by the buyer credit technique which gives the exporter the bulk of his payment on shipment of the goods. Similar to this is the line of credit facility which extends the buyer credit principle to include contracts often with an individual value as low as £10,000. ECGD now insures 35 per cent of all UK exports. For full details of all ECGD services contact Publicity Branch, ECGD, Aldermanbury House, Aldermanbury, London EC2 2EL, telephone 01-606 6699 extension 258, telex 883601, or get in touch with one of the offices listed below.

Central London

London, EC1 to EC4, WC1 and 2, W1 and SW1.

D. G. Hake, Waverley House, 7-12 Noel Street, London W1V 3PB. Tel. 01-437 2292, Telex 24105.

South London

London SE, SW2–20 and W2–14, Kent, Surrey (excluding the administrative district of Spelthorne), East and West Sussex, the eastern part of Hampshire, the Isle of Wight and the Channel Isles.

G. J. A. Link, 320 Purley Way, Croydon, Surrey CR0 4XJ. Tel. 01-686 9921. Telex 946998.

North London

London N, NW, E, the southern parts of Essex, Hertfordshire and Buckinghamshire, the Slough, Burnham and Datchet area of Berkshire and the Spelthorne district of Surrey.

C. W. Gentry, 593–599 High Road, Tottenham, N17 6SW. Tel. 01-808 4570. Telex 263615.

Belfast

The six counties of Northern Ireland.

R. H. Forsyth, River House, High Street, Belfast BT1 2BE. Tel. 0232 31743. Telex 74577.

Birmingham

Leicester, Nottinghamshire, Salop, Staffordshire, Warwickshire, West Midlands, the southern part of Derbyshire and that part of Hereford and Worcester formerly known as Worcestershire.

F. Wilmot, Colmore Centre, 115 Colmore Row, Birmingham B3 3SB. Tel. 021-233 1771. Telex 33132

Bristol

Dyfed, Powys, Gwent, West, Mid and South Glamorgan, Gloucester, Avon, Wiltshire, Oxon, Dorset, Somerset, Devon and Cornwall. That part of Hereford and Worcester formerly known as Herefordshire, Berkshire except the Slough, Burnham and Datchet areas and the western part of Hampshire.

K. I. Humphrey, Robinson Building, 1 Redcliffe Street, Bristol BS1 6NP. Tel. 0272 299971. Telex 44248.

Cambridge

Bedfordshire, Cambridge, Norfolk, Northamptonshire and Suffolk, the northern parts of Essex, Hertfordshire and Buckinghamshire, and the southern part of Lincolnshire including the City of Lincoln.

H. Watson, Prudential Building, 59 St. Andrews Street, Cambridge CB2 3HA. Tel. 0223 67736. Telex 81624.

Glasgow

Scotland and the Outer Isles.

F. R. Burge, Fleming House, 134 Renfrew Street, Glasgow G3 6TL. Tel. 041-332 8707. Telex 77130.

Leeds

Durham, Tyne & Wear, Northumberland, Cleveland, North, West and South Yorkshire, Humberside and the northern part of Lincolnshire.

W. Ford, West Riding House, 67 Albion Street, Leeds LS1 5AA. Tel. 0532 450631. Telex 55125.

Manchester

Gwynedd, Clwyd, Cheshire, Merseyside, Greater Manchester, Lancashire, Cumbria, the northern part of Derbyshire and Isle of Man.

R. H. K. Hughes, Elisabeth House, St. Peter's Square, Manchester M2 4AJ. Tel. 061-228 3621. Telex 667756.

New York

In the United States of America exporters can obtain assistance from the Department's resident Representative for the USA and Canada.

J. K. Sedman c/o British Trade Development Office, 150 East 58th Street, New York 10022 USA. Tel. 212-593 2258. Telex 420543.

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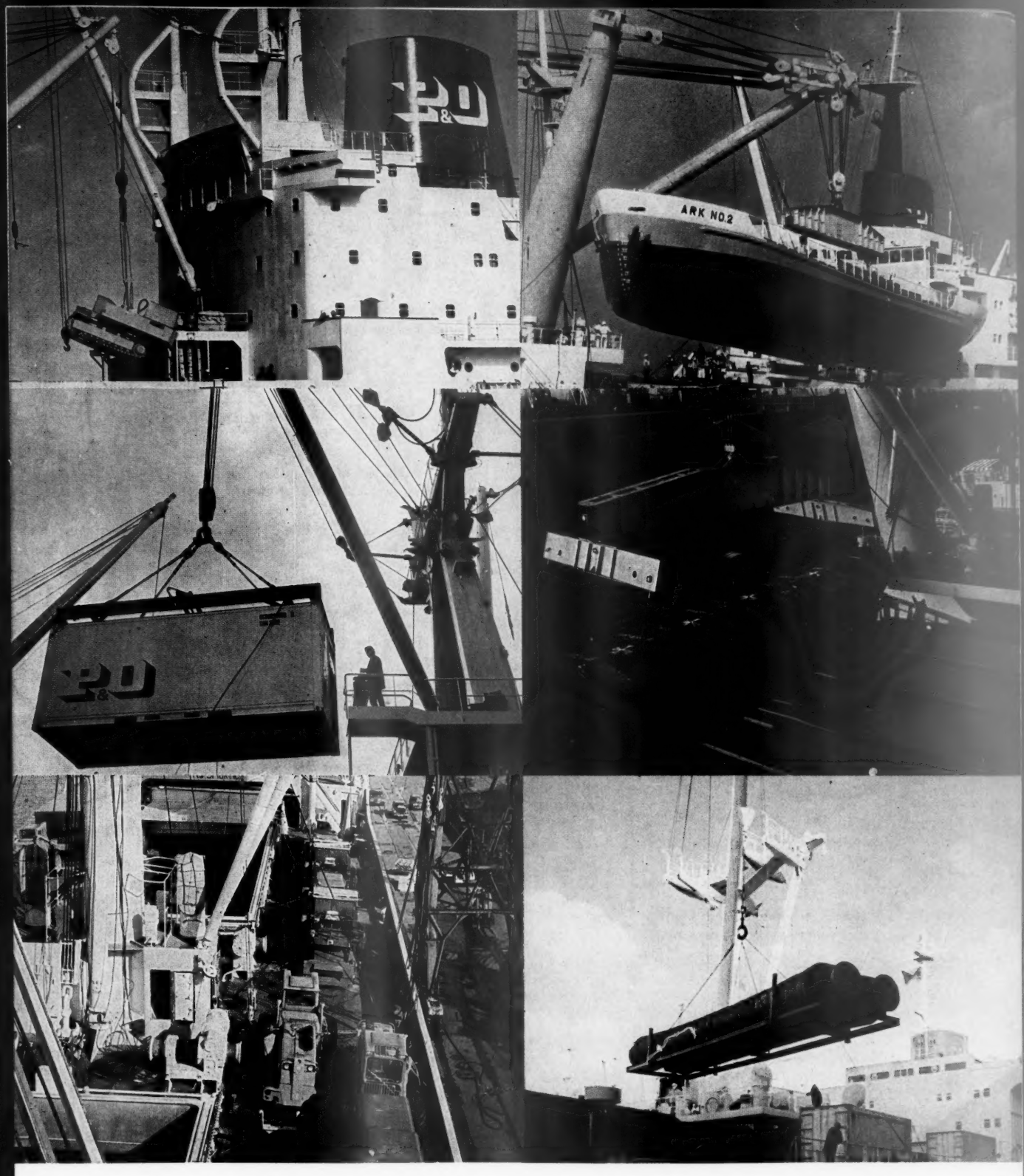

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Customs notices of interest to exporters

The following Public Notices issued by HM Customs and Excise relate to various aspects of export procedure. Copies of these Notices may be obtained from the local Officer of Customs and Excise, whose address appears in the telephone directory and to whom all inquiries should be addressed, or from the Secretary, HM Customs and Excise, 39-41 Mark Lane, London EC3R 7HE.

7	Drawback on mixed or blended beers when exported or deposited in bonded warehouse.
17 (May 1973)	Arrangements for preferential trade between the Channel Islands and the United Kingdom.
49	Temporary importations: international co-operation.
104	Temporary importations and exportations under ATA and ECS Carnets.
112	Authorised hours for Customs work at ports, airports and in long rooms and charges for attendance given at the request of merchants.
112A	Charges for attendance given at private premises at the request of merchants.
118	Samples imported for promoting export trade.
132A	Sugar: cessation of Import Duties and Imposition of Levies under the Common Agricultural Policy of the EEC and the Sugar Board Charge.
172	Hydrocarbon Oils: drawback of duty.
207	Re-imported goods: relief from Customs duty and Value Added Tax.
210	Temporary importation of films and similar goods for copying, printing, etc., to fulfil export orders.
221	Process Inwards Relief and Pre-financing of export refunds on products for process.
221A	Section 7 relief: changes in procedure.
221B	Section 7 relief transitional period arrangements: Supplementary procedural changes.
223	Export relief on goods exported in the same state as at import ('Same state section 7 relief').
224	The examination of bottled beer, exported on drawback, at the premises of a licensed brewer for sale, or beer dealer, as an alternative to examination on the quay.
241	European Economic Community: Compensatory, Levy and Addendum thereto.
275	Documentation of Exports for Statistical Purposes.
276	Customs Entry forms in the C273 Series: Guidance on their completion.
290	Export of personal and household effects.
291	Claims for drawback on goods exported where there has been a variation in the duty rate.
300	Export reliefs scheduling scheme.
703	VAT – Exports. (Revised November 1973)
704	VAT – Retail Export Schemes. (Revised November 1973)
705	VAT – Tax free sales of motor vehicles to tourists, etc.
750 and Supplement	Community transit – this describes the system as a whole.
750A	List of Community Transit Offices.
750B	Community transit – Extension to cover Austria and Switzerland.
751 and Supplement	Notes on completing Community transit forms T1, T2 and T3 and Control Copy T forms.
751A	Notes on completing Community transit movement certificates.
752	Free circulation of goods in the European Community.
753	Community transit – the simplified procedure for goods carried by rail.
754	Community transit – Intra-Community treatment of the catches of fishing vessels registered in Member States.
755	Community transit – special control procedures.
756	Instructions on the use of loading lists as the descriptive part of Community transit forms T1, T2 and T3.
757	Community transit – Pre-authenticated movement certificate Form T3L
774	Hydrocarbon Oils Customs Duties: Additions of *Ad Valorem* Protective Element.
800	EEC Common Agricultural Policy: Customs procedures in respect of export refunds and export licences.
810	EEC Preferences – Free Trade Agreement between the EEC and the EFTA countries.
810A	EEC Preferences – EFTA Countries. Simplification of the documentation system described in Notice 810. Introduction of universal form of movement certificate EUR 1.
811, 811B	EEC Preferences – Greece.
812	EEC Preferences – Turkey.
813, 813B	EEC Preferences – Israel.
817	EEC Preferences – Tunisia
818	EEC Preferences – Egypt.
819	EEC Preferences – Cyprus.
821	EEC Preferences – simplified procedure for sending evidence to EEC customers about the origin of goods.
830	Arrangements between Denmark and United Kingdom.

Tariff and Trade Notices

Portugal

Price control. *Trade and Industry*, 19 September and 10 October 1974, published details of decree-law 329-A/74 on price control legislation in Portugal. A list of goods subsequently made subject to the law was published in *Trade and Industry*, 14 November 1974. The following goods are now also subject to this legislation:

Despacho	of 19 Aug. 1974	Flakes and flour for use in pasta products
Order no. 511/74	of 19 Aug. 1974	Pasta products
513/74	19 Aug. 1974	Sugar in Portugal
514/74	19 Aug. 1974	Sugar in the Azores
515/74	19 Aug. 1974	Sugar in Madeira
517/74	19 Aug. 1974	Fertiliser sold to the consumer
692/74	25 Oct. 1974	Milk powder, condensed milk and milk products
700/74	28 Oct. 1974	Beef
703/74	29 Oct. 1974	Animal feedstuffs
705/74	29 Oct. 1974	Olive oil and edible oils
723/74	9 Nov. 1974	Wheat
843/74	30 Dec. 1974	Various types of milk
Despacho	of 15 Jan. 1975	Imported seed potatoes
	21 Jan. 1975	Seed potatoes
Order no. 58/75	of 31 Jan. 1975	Margarine
104/75	15 Feb. 1975	Broken rice
130/75	28 Jul. 1975	Coffee, sandwiches, biscuits and rolls
144C/75	3 Mar. 1975	Pyrites, butane and propane gas and electricity
227/75	4 Apr. 1975	Fertiliser
295/75	6 May 1975	Dietetic products of milk
296/75	6 May 1975	Tar and turpentine subject to free pricing
297/75	7 May 1975	Peanut oil
414/75	3 Jul. 1975	Metal furniture subject to free pricing
415/75	3 Jul. 1975	Frankfurter sausages
424/75	10 Jul. 1975	Household electrical equipment
517/75	26 Aug. 1975	Lambs meat
527/75	27 Aug. 1975	Certain fertilisers

Copies of these orders, in Portuguese, are available on request. Inquiries: OTAR ext. 460/461.

Spain

Coffee and cocoa: import duty suspension. The Spanish *State Gazette*, 1 October 1975, announced the suspension of import duty, valid from 21 September to 20 December 1975, on coffee, not roasted, tariff sub-heading 09.01.A and raw cocoa beans, tariff sub-heading 18.01.A. Inquiries: OTAR ext. 462/471/472/473.

Home compensation tax levy. The Spanish *State Gazette*, 29 September 1975, announced a temporary concessional rate of 1.5 per cent home compensation tax levy, valid from 24 July to 23 October 1975 on the following tariff headings: 26.01.A.2, mineral ores containing 62 per cent of iron, dry, and 27.10. A, coal suitable for coking either as imported or mixed with other grades of coal, imported by iron and steel manufacturers for use in their coking plants. Inquiries: OTAR ext. 462/471/472/473.

Iron and steel products: duty-free import quotas – correction. *Trade and Industry*, 5 September 1975, announced duty-free import quotas for iron and steel products. The Spanish *State Gazette*, 6 September, published a correction to the announcement in the *State Gazette*, 21 August 1975. The combined quota amount for tariff sub-headings 73.06.A and 73.07.B.3.a should have read 700,000 metric tons, valid from 1 July to 31 December 1975.

Further information

In many cases further information on the notices published on these pages is available to British exporters from the Department of Trade. The main branches concerned are: Commercial Relations and Exporters (CRE) Division, 1 Victoria Street, London SW1H 0ET (tel: direct dialling); and Overseas Tariffs and Regulations Section (OTAR), Export Data Branch, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU (tel: 01-248 5757). In each case, the relevant information source is indicated at the end of the notice by its initials (OTAR or CRE) and, in the case of OTAR, the telephone extension. In the Tariff and Trade Notices section countries are grouped by continents as far as possible; they are listed alphabetically on the contents page.

Greece

Motors for toys intended for export: duty-free import. The Greek press of 24 July 1975 quotes a Ministry of Finance Circular of 16 July 1975 which provides that for an indefinite period motors and components such as gears and springs, imported into Greece for use in toys intended for export, will be exempted from duty. Inquiries: OTAR ext. 439.

Repaired machinery: duty-free entry. The Greek press of 7 August 1975 reports Decision 2561/75 interpreting Law 3945/59 of the Supreme Administrative Tribunal. This states that machinery which was originally imported duty free under law 3945/59 which expired in 1970 and is exported for repair can subsequently be reimported duty free. Inquiries: OTAR ext. 439.

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Jordan

Poultry: import and export regulations. The Jordanian authorities have issued in *Official Gazette* No. 2571, 10 August 1975, regulations governing the import and export of poultry.

The regulations concerning the importation into Jordan of three-day chicks for hatching purposes remain unaltered, but the import of broiler chicks, broiler birds, and birds for hatching is banned. This ban applies also to the export from Jordan of broiler chicks, broiler birds and to chicks and birds for hatching purposes.

The import of eggs both edible and for hatching is allowed provided they are stamped with the name of the producing country. Inquiries: OTAR ext. 475/7062.

Wire and rods for soldering: tariff amendment. The Jordanian authorities have amended the Customs tariff as follows:

Tariff no.	Description	Unit	Rate
83.15	Wire, rods, tubes, electrodes and similar products of base metal or of metal carbides coated or covered with flux material of a kind used for soldering etc.	*Ad Val.*	25%

No further information is available. Inquiries: OTAR ext. 475.

Israel

Purchase tax increased. When the Israeli pound was devalued on 28 September by about 10 per cent, purchase tax rates were increased by 10 per cent on a wide range of goods, including alcoholic drinks, cigarettes, sanitary ware, domestic electrical appliances and cameras. On other items, including cosmetics, clothing, detergents and bicycles, the increase was 5 per cent. No further information is at present available. Inquiries: OTAR ext. 458/461.

Weights of pre-packed foodstuffs. The Israeli authorities have advised their importers to make current orders subject to the weights prescribed in respect of the Standard Weights of Food Products Order which comes into force in December 1975. No further information is available. Inquiries: OTAR ext. 458/461.

Marking of beer imports. The import of beer will be allowed into Israel only in packages marked by the stamping code of the producing enterprise (day of production). The importers must also supply the Food Department of the Ministry of Commerce and Industry with the key to such a code, together with its application. No further information is available. Inquiries: OTAR ext. 458/461.

Synthetic fibres: duty changed. The Israeli authorities have amended the import duty on the following:

BN 51.03.1020 Synthetic fibres combined with yarn of 'Lurex' or similar type in any percentage

– 20 per cent but not less than IL. 20.00 per kg (there is no reduction for EEC goods until 1 July 1977). Inquiries: OTAR ext. 458/461.

Oman

Customs duties: exemption. The Oman Government's Financial Circular No. 7/75 of 24 June states that the exemption which certain foreign companies have enjoyed from the payment of customs duties and other taxes while carrying out Government projects will be withdrawn. No provisions will be made in new agreements with the Government for the exemption of foreign companies from taxes or duties and exemptions under existing agreements will terminate on 31 December 1975. If further details become available, another notice will be issued.

South Africa

Pharmaceuticals: manufacture and marketing inquiry. The South African *Government Gazette*, 26 September 1975, contains

International Harvester Co. of Great Britain Ltd. has signed an agreement with Turk Otomotiv Endustrileri, SA, for its Bradford works' International 444 tractor (pictured) to be built at the Gebze plant near Instanbul, Turkey. The programme extends over several years and involves an increasing number of units with an increasing Turkish local content. To accommodate the additional production called for by this and other demand, the company's works at Bradford is to be expanded at a cost of approximately £2.5 million in new investment. Unit production at Bradford will rise by 70 per cent to over 15,000 a year. Shipments to Turkey will begin in 1976 at 1,500 units, moving into top gear in 1977. From then forward, annual value of shipments will be £4.5 million, calculated at present day values. In 1979, the agreement calls for 7,800 units, of which the Bradford works will still be shipping many engine, transmission and other key components. In 1974, more than 80 per cent of the Bradford tractor plant's production was exported.

notice 656/75, which gives notification that the Commission of Inquiry into the Pharmaceutical Industry will look into all aspects of the manufacture and marketing of pharmaceutical materials and products in South Africa with special reference to:

a the manufacturing processes already undertaken in South Africa, the extent to which these processes secure the country's independence from foreign sources in regard to its essential requirements and, to this end, the proper official measures to encourage further manufacturing;

b the raw materials for the pharmaceutical industry which are already being manufactured satisfactorily in the country, which other raw materials should, for economic or other reasons, be manufactured locally and the cost implications thereof;

c the Patents Act, 1952 (Act 37 of 1952), and the limitations it places on the manufacture of pharmaceutical products in the Republic;

d the export potential of the pharmaceutical manufacturing industry and the limitations placed thereon by royalty agreements with foreign licence holders;

e the price structure of pharmaceutical products, the increase in prices and the factors, usages and practices affecting the prices of such products with a view to combating the trend of increasing prices for pharmaceutical products;

f the desirability of joint purchases of pharmaceutical products by the State, including the provincial administrations, and the effect of such purchases on the prices for the aforementioned authorities and in the industry and the trade; and

g the customs duties levied on imported raw materials and medicines solely for the sake of revenue and the effect thereof on the cost of medicines.

Interested parties are invited to submit representations (in tenfold) about this inquiry to L. W. A. Nel, Secretary, Commission of Inquiry into the Pharmaceutical Industry in the Republic of South Africa, Private Bag X342, Pretoria 0001, by 31 January 1976. Inquiries: CRE tel. 01-215 5274.

Fertilisers: supply and distribution inquiry. Notice 661/75 published in the South African *Government Gazette*, 26 September 1975, gives notification that the Board of Trade and Industries has been directed to inquire into:

1 the supply and distribution of fertiliser in the Republic of South Africa, with special reference to the market sharing agreement between manufacturers;

2 practices which restrict, or may restrict, entry into the fertiliser manufacturing industry; and

3 all other practices and conditions which may restrict competition in the industry; and

to report whether the continuance of the above-mentioned practices and conditions is justified in the public interest.

Any representations should reach the Board of Trade and Industries, Private Bag X342, Pretoria 0001, by 24 October 1975. Inquiries: CRE tel. 01-215 5274.

Tariff changes. The following amendments were published in the South African *Government Gazette*, 12 September 1975:

R1714 BN 55.08, 58.05, 61.04, 62.02 and 62.05.

1 The rates of duty on terry towelling and similar terry fabrics, of cotton, certain narrow woven fabrics, babies napkins, towels, face cloths and dusters are amended.

2 Narrow woven fabrics of sub-heading No. 58.05.50 which comply with the requirements of item 460.22 may be allowed under rebate of duty under that item.

GENERAL REBATES

R1734 Item 410.05 BN 22.09. Provision is made for a partial rebate of duty on wine spirit which has been matured for a period of three years or more in such quantities and at such times and subject to such conditions as the Secretary for Agricultural Economics and Marketing may allow by specific permit, for use in the blending of brandy in terms of Section 9(1)(b) of the Wine and Spirit Control Act 1970 (Act No. 47 of 1970).

Inquiries: OTAR ext. 471/472/473/462.

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Hong Kong

Acetic acid: import control. Hong Kong's Import and Export (General) Regulations have been amended by an order which came into operation on 1 September 1975. This amended the First Schedule to the Regulations by deleting item 2 and substituting the following:

2. Acetic acid.

The effect of the order is to prohibit the import of acetic acid except under and in accordance with a licence issued by the Director of Commerce and Industry. The order also removes acetic anhydride from the First Schedule to the regulations as this substance is now controlled under the Acetylating Substances (Control) Ordinance 1975. Inquiries: OTAR ext. 469/468/401.

Australia

Telecommunications equipment: Industries Assistance Commission recommendations. As a result of its inquiries into electronic and electrical equipment, the Industries Assistance Commission has recommended to the Australian Government that transmitting and broadcasting equipment be dutiable at 30 per cent, handset telephones at 30 per cent and other telephone and telegraph equipment at 15 per cent. Submissions from UK firms and trade associations are requested in good time for the public hearing in Canberra on 23 October 1975. Ref CRE 2371/72 Pt. 2. Inquiries: CRE tel. 01-215 5319.

New Zealand

Monofilament for use as fishing line: Tariff and Development Board report. Copies of the New Zealand Tariff and Development Board report on monofilament for use as fishing line (tariff items 39.01.041, 39.01.049, 39.02.041, 39.02.049, 51,02,009 and 51.02.109) are available from Commercial Relations and Exports Division. Ref. CRE 1175/72. Inquiries: CRE tel. 01-215 5321.

United States

Gloves: Escape Clause investigation. The United States International Trade Commission has instituted an investigation in respect of imports of gloves of vegetable fibres, of horsehide or cowhide (except calfskin), leather, and of rubber or plastics. Hearings will be held in Washington on 16 December 1975. Requests to appear must be made to the International Trade Commission by 11 December 1975. Inquiries: CRE tel. 01-215 5629.

Flavours in special natural wines: labelling amendments. The US Bureau of Alcohol, Tobacco and Firearms has issued Circular 75-12 which covers the subject of artificially top-noted flavours in special natural wines. Briefly, it details amendments to the FDA regulations for the labelling and/or approved formulae for special natural wines. Any flavouring which is described as 'natural flavouring', must not contain any artificial flavouring. Copies of the circular are available from CRE tel. 01-215 5397.

Bermuda

Duty changes. The Bermuda authorities, in the Customs Tariff (Amendment) Act 1975, published changes in the rate of duty on the following items:

Spirits
Cigars and cigarettes
Petrol
Paper raw materials
Statues, statuettes, jugs, etc., of ceramic work of all kinds
Bicycles
Sailing and other vessels
Photographic film
Film processing materials
Cameras
Watches and parts
Pamphlets, brochures and booklets
Fishing and sports equipment
Antiques
Gold coins

Inquiries: OTAR ext. 7312/456/457.

Jamaica

Fluorescent tubes and mercury and vapour lamps: Industrial Incentives Law. The Jamaican Minister of Industry, Tourism and Foreign Trade has approved that fluorescent tubes and mercury and vapour lamps should be declared 'approved products' for the purposes of the Industrial Incentives Law 1956.

Applications for the status of 'approved product' and 'approved manufacturer' are processed by the Jamaica Industrial Development Corporation, 4 Winchester Road, Kingston 10, Jamaica (PO Box 505). It would be appreciated if firms writing to the Corporation would copy their initial correspondence to the British High Commission, Commercial Department, PO Box 393, Kingston, Jamaica. Inquiries: CRE tel. 01-215 3572.

Barbados

Sewing machines: import licensing. The Barbados authorities by SI 199 of 1975 state that an import licence is required for the importation of BTN 84.41, sewing machines; furniture specially designed for sewing machines. Inquiries: OTAR ext. 7312/456/457.

Ecuador

Import surcharge. *Trade and Industry*, 5 September 1975 (page 582), reported that the Ecuadorean Government had established an import surcharge system. Decree 786 of 22 August 1975 authorises the reduction of the surcharge on List II goods to 30 per cent on the cif value (previously 60 per cent) and removes the variable deposit on List I items. This decree also transfers a number of goods from List I to List II.

Decree 790 divides List I into two parts, A and B. Part A comprises certain foodstuffs, medical and veterinary products, fertilisers, semi-refined petrol, oil and gas. Part B comprises the rest of 'old' List I plus a number of goods transferred from List II.

Decree 788 of 11 September 1975 lays down a system of prior deposits for both public and private sectors, payable by the importer before the issue of an import licence and redeemable in 180 days. The rates of deposit are: 20 per cent of the cif value for List I (part B) goods and 30 per cent for List II goods The system of prior deposits does not apply to List I (part A) goods.

The new Lists I and II are in the process of being prepared.

British exporters with inquiries should specify the products with which they are concerned and should contact OTAR ext. 474/476.

Files and rasps: tariff amendment. Ecuadorean decree 703 of 13 August 1975 modifies the structure of subheading 82.03.05.00 in the following manner:

Tariff no.	Description	Duty (*ad valorem*)
82.03.05.01	Files	20%
82.03.05.02	Rasps	20%

The decree also adds the following Complementary Note:

82.1 The importation of files under 82.03.05.01 requires the prior authorisation of the Ministerio de Industrias, Comercio e Integracion

Inquiries: OTAR ext. 474/476.

Chile

Exchange rates. The Chilean Central Bank has announced the following revised exchange rates effective from 22 September:

The Bank and Brokers' rates: raised from Escudos 6,100 to Escudos 6,400 per US dollar.

Inquiries: CRE tel. 01-215 5289.

Peru

Exchange rates. The exchange certificate rate (used for exports and imports) and the transfer market (other transactions) have been combined by the Peruvian authorities at a single rate of Soles 45 to the US dollar from 29 September. Inquiries: CRE tel. 01-215 5289.

Registered trade marks

The lists of tariff, customs and import regulation changes in overseas countries published in this section of *Trade and Industry* sometimes contain words which are registered trade marks in the United Kingdom. So far as is practicable, all lists of goods are checked before publication from this point of view. Items which fall into this category are preceded by the letters rtm. Readers should note that this prefix signifies that the words are registered as trade marks in the United Kingdom but that in the present context are assumed to refer generally to products of the descriptions stated in brackets. While every attempt will be made to ensure that the scrutiny is complete, the lists may contain other words which are registered as trade marks in the United Kingdom or in other countries but which it has not been possible to identify.

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European Community

Commission proposes Community management of aerospace industry

The EEC Commission has now forwarded to the Council its proposals for a common industrial policy in the field of civil and military aerospace.

Announcing the programme at a press conference in Brussels on 2 October, the Commission warned that the refusal by Member States to seize new opportunities, and the continuation of national policies, could lead to the disappearance of an independent European aerospace industry. They argued that management at Community level was necessary if the future of the industry was to be guaranteed.

The policy would involve the establishment of a coherent framework for development and construction in the civil aviation sector; it would establish close co-operation between industry, the airlines and the public sector; and there would be a common research programme.

Finance

The policy, which would be backed by Community finance, would also involve legislative and administrative harmonisation, and common airworthiness and noise certificates, as well as other aspects of standardisation.

The Commission also makes provision for the implications as far as relations with third countries are concerned, particularly in the fields of industrial co-operation and commercial policy.

The Council is expected to study the Commission's far-reaching report in detail before deciding whether to implement any of its recommendations.

First EIB loan for UK telecommunications project

A loan equivalent to £17.5 million (30 million units of account) has been granted to the Post Office by the European Investment Bank, the EEC's long-term finance institution (see page 106), to help modernise and extend the telecommunications network in Wales and certain parts of the adjoining counties of England covered by the Wales and The Marches Telecommunications Board. This is the bank's first telecommunicaations loan in the UK.

The terms are 10 years with an interest rate of 9½ per cent and the loan will contribute to the financing of 53 new telephone exchanges, 284 extensions of existing exchanges and other improvements to the telephone service. These works are part of the Board's current two-year investment programme costing a total of £104 million.

EEC/Mexico agreement: entry into force

Procedures necessary for the entry into force of the five year commercial co-operation agreement between the EEC and Mexico were completed in Brussels on 2 October.

The agreement, which was signed on 15 July this year (see page 237 of the 25 July issue of *Trade and Industry*), will enter into force on 1 November 1975.

Agreement on refining of ACP sugar imports

Agreement on a Resolution regulating the refining within the Community of sugar imported from the African, Caribbean and Pacific countries was reached by the EEC's Agriculture Ministers on 29 September.

Higher levy for mixed beet factories

The Resolution provides that the levy per 100kg of ACP cane sugar refined in a mixed beet and cane factory should be 1.20 units of account higher than the levy on a similar quantity of ACP sugar processed in a 'pure' cane refinery.

The differential rates, which will apply from 1 July this year until 30 June 1976, were accepted by the UK's Minister of Agriculture, Fisheries and Food, Fred Peart. The UK had earlier pressed for a higher differential, in order to reflect more accurately what it considers to be the relative costs of refining cane sugar in 'pure' and in mixed refineries.

Assurances

Mr. Peart pointed out, however, that UK acceptance of the Resolution was based on certain assurances: that assumptions behind the 1.20 ua calculations for 1975/76 are without prejudice to the future; that the Commission will immediately carry out an objective study of the costs of refining sugar in the 'pure' refineries and mixed beet factories; and that the results of this study will be an 'essential element', firstly in fixing the differential levy for 1976/77 and, with appropriate adjustments to the cost data, in subsequent years, and secondly in the negotiations with the ACP states concerning the guaranteed price for ACP sugar.

Free service for businessmen

The EEC Information Unit helps firms of all types and sizes by answering general questions about EEC membership and by guiding them where necessary to more specialised information sources.

New customers are always welcome, particularly firms new to EEC questions.

The unit's address is: EEC Information Unit, 1 Victoria Street, London SW1H 0ET. Tel: 01-215 4301 (six lines).

The Community's 1976 draft budget passes first Council reading

After a lengthy session on 29-30 September, the Community's Council of Budget Ministers established the draft budget for estimated Community expenditure in 1976.

The Ministers, who agreed to reduce the draft budget by 585 million units of account to a total of 7,465 mua (£3,110 million), rejected West German proposals for detailed cuts in estimated expenditure by the European Agricultural Guidance and Guarantee Fund (FEOGA), which finances the Community's Common Agricultural Policy.

The decision to establish the draft budget confirmed the Ministers' provisional decisions taken a week earlier on 22 September concerning the size of the Regional Development and Social Funds. Commitment appropriations for the RDF in 1976 will amount to 500 mua (£208 million), with payment appropriations of 300 (£125 million). This will enable the Commission to press on with putting the fund into operation since the commitment appropriations, which govern the level of activity of the Fund, have been set at the maximum level consistent with the decision setting it up. The Social Fund, which provides assistance for the retraining and transfer of workers in Member States, will take up 400 mua (£167 million), an increase of 14 per cent on the provision in the 1975 Budget.

UK view

While agreeing to accept the draft budget without FEOGA cuts, the UK Representative at the Council, Chief Secretary to the Treasury, Joel Barnett, expressed the Government's view in favour of a review of the Community's agricultural expenditure. He argued, however, that reductions could only come from changes in the Common Agricultural Policy; the Budget Council was not the appropriate forum for discussing such changes. He also revealed after the meeting that, contrary to earlier forecasts, the UK expected to gain more from the Community budget this year than it paid in.

The draft budget will now be forwarded to the European Assembly for consideration.

Declaration of intent

After the draft budget was established, the Ministers adopted a declaration of intent concerning possible future savings in Community expenditure. The declaration expressed their wish to take account of additional savings which might be implemented before the budget's second Council reading, following its return from the Assembly.

Expenditure control in the Community

The Prime Minister's view on the role of the Assembly

Speaking at a press conference in Liverpool on 26 September, the Prime Minister revealed that in recent discussions in the Community context he had 'urged, and not alone, the improvement of expenditure control so that it is fully comparable to that which is now traditional in our own country'.

'It is now a question,' he said, 'of considering with our partners the machinery necessary to give effect to these objectives.'

Central note for Assembly

On detailed expenditure control, Mr. Wilson said he welcomed the European Assembly's resolution to give functions similar to those of the Public Accounts Committee on Budgets to a sub-committee of the Assembly Committee on Budgets. In his view, he said, it was necessary to build on this resolution, so that the Assembly, backed by the new Court of Auditors, and its staff could win for itself a central role in monitoring expenditure over the whole range of Community policies.

'I should like to see backing given to those proposals made in the Assembly giving a real, positive, and indeed decisive role to the Assembly.' This, he said, would have the advantage of giving a real additional job of work to the Assembly, with ramifications covering the whole field of Community expenditure.

Select committee on expenditure

Mr. Wilson said he also believed that it might be helpful for the Assembly to move towards the British idea of a select committee on expenditure, to review the basis of the expenditure programmes themselves, recognising that expenditure in broad terms inevitably depends on policy.

Authorisation of expenditure

Thirdly, Mr. Wilson argued that the authorisation of expenditure by any spending department within the Community should be governed by clear rules as it is in Britain. This would mean that no expenditure programme should be initiated or expanded without the authority of someone who was responsible for ensuring its proper costing and proper provision in the Community budget.

In this context, Mr. Wilson said that the German proposal for a Commissioner concerned purely with expenditure control was highly relevant. This issue, he said, should be kept quite separate from broad financial questions such as exchange rates, the Snake, and broad financial relations with the outside world.

Accounting officer

Mr. Wilson pointed out that the extension to the Community of the British system would mean that every spending department within the Community, all spending activities initiated by Commissioners, would be required to carry the consent of an accounting officer who would be personally responsible for certifying the expenditure as finance necessarily involved in the fulfilment of an agreed programme.

The essence of this system, he went on, would be that the accounting officer must be subject to scrutiny by a Parliamentary authority, a scrutiny which would not disdain the 'almost brutal' treatment which the Westminster Public Accounts Committee accords to those who appear before them.

'Equally essential is the absolute right of the Committee to report on all items of expenditure without fear or favour.'

Complications

Mr. Wilson acknowledged that 'there are inevitably complications arising from the structure and practices of the Community'. Some of the Community's biggest spending programmes, such as spending under the European Fund for Agricultural Orientation and Guarantee, involve expenditure by national governments. The Commission's role is to advance the necessary money and to check the accounts afterwards.

But Mr. Wilson pointed out that spending programmes which have to be justified before the Public Accounts Committee in this country frequently involve payments made by outside bodies to whom Departments make grants. The UK had established conventions for defining the accounting officer responsibility of the Permanent Secretary of a grant making department, as distinct from the responsibility of the body which spends on behalf of the Departments.

He therefore believed it would be possible to work out the relevant responsibilities of accounting officers in Member States and also of the appropriate official within the Commission.

Equally, said Mr. Wilson, the relevant responsibility of both in relation to an Assembly Public Accounts Committee would have to be worked out. The role of the Director-General in other matters in relation to Commission decisions affecting Community income, on rates of levy on imports and exports for example, would also require study. Mr. Wilson said that he believed these should be soluble and a system appropriate to the Community could be worked out taking account of the views of the Commission, the Council of Ministers and the Assembly itself.

Common Agricultural Policy

On the general policy of the control of expenditure, he said the Common Agricultural Policy was 'obviously the biggest single item as well as the most controversial, representing something like two-thirds of the total expenditure of the Community'.

He believed 'there may well be greater difficulty in finding improvements in this area which will be acceptable to the various interests and institutions in the Community, but in my view these problems could be resolved given goodwill on the part of all concerned, and for all who seek, as we do, to restrain the total budget to a minimum. There is a special responsibility to ensure that expenditure controls are adequate, and are also amenable to thorough investigation by the Assembly (in Strasbourg) and any bodies they may choose to establish for this purpose'.

Avoiding disagreements

He concluded by saying that he hoped his suggestions 'will be taken up and will contribute in future years to avoiding major disagreements on the budget itself since I would hope that if these proposals are debated and made a reality, the budget could to that extent be more widely acceptable. For the key to acceptability is confidence on the part of all member nations that waste or ill-considered expenditure is controlled, that policies are decided on in relation to their expenditure implications that the machinery is there at Commission, Council or Assembly levels to ensure that these objectives become paramount in the work we all have to do'.

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Quota restrictions end for EEC 'piggyback' hauliers

John Gilbert, Minister for Transport, has announced that from 1 October British international road hauliers using the road/rail 'piggyback' systems within EEC countries will be free of the present quota and permit restrictions.

This follows the coming into force of EEC Council Directive 75/130* which has received the full support of the United Kingdom Government as a welcome step towards liberalising international road transport operations. The success of the Directive is to be evaluated by the Community before the end of 1977.

Meanwhile, because a minority of British hauliers have been operating on forged or illegally transferred permits, it has been necessary to devise a measure of control. British operators wishing to take advantage of the provisions of Directive 75/130 will be required to give a written undertaking to the Department's International Road Freight Office that they intend to use the French or West German road/rail systems. They will then be issued with a Certificate which will satisfy British enforcement staff that they are entitled to leave the country on an international journey. The Certificate should also facilitate entry into France or West Germany where it will be stamped by the appropriate railway authority as a proof that the 'piggyback' has been used.

Application forms for this Certificate may be obtained from the International Road Freight Office, 36/42 Low Friar Street, Newcastle upon Tyne. It will be an offence under the International Road Haulage Permits Act 1975 to forge or to make a false declaration to obtain a road/rail Certificate.

*The full text of EEC Directive 75/130 of 17 February 1975 is published in the *Official Journal of the European Communities* (L48 pages 31-2), obtainable from HMSO.

Generalised tariff preference scheme (GSP): restoration of normal duties

Trade and Industry of 20 February, 14 March, 18 April, 16 May, 13 June, 11 July, 15 August and 12 September gave details of GSP tariff quotas exhausted and GSP ceilings reached up to 26 August 1975. HM Customs have stated that the position on the restoration of normal duties for the month ending 23 September is as follows:

I TARIFF QUOTAS AND SPECIAL CEILINGS

Tariff heading	Description of goods	Customs quota reference*	Date quota share exhausted	Community butoir reached: duty to be re-imposed	
				On date	For goods from
67.04 (S/C)	Wig's, false beards, hair pads, curls, switches and the like, of human or animal hair or of textiles: etc.	4347		31.8.75	South Korea
69.02 (S/C)	Refractory bricks, blocks, tiles and similar refractory constructional goods, other than goods falling within heading no. 69.01	4363		31.8.75	Yugoslavia

* See Part 11 of the UK Tariff.
S/C denotes special ceiling.

II CEILINGS

Tariff heading	Description of goods	Date of restoration of normal duties	
		From all sources	From particular sources (inner ceilings)
ex 28.42 AII	Carbonate of sodium anhydrite		Romania 14.9.75
53.07	Yarn of combed sheep's or lamb's wool, (worsted yarn) not put up for retail sale	15.9.75	Brazil 12.7.75
56.03	Waste (including yarn waste and pulled or garnetted rags) of man-made fibres (continuous or discontinuous), not carded combed or otherwise prepared for spinning		Yugoslavia 22.9.75
58.10	Embroidery, in the piece, in strips or in motifs		South Korea 13.9.75
60.05	Outer garments and other articles, knitted or crocheted, not elastic or rubberised:		
A	Outer garments and clothing accessories:		
ex II	Other, of cotton		South Korea 13.9.75
ex B	Other, of cotton		
ex 61.04	Women's, girls' and infants under garments, other than of cotton		South Korea 13.9.75

Inquiries about current availability of preferences may be made to HM Customs and Excise, Central Tariff Quota Registration Unit, King's Beam House, Mark Lane, London EC3R 7HE, tel. 01-626 1515, Ext. 2570.

HM Customs have stated that the United Kingdom's share of the following EEC tariff quotas for 1975 have been exhausted:

UK tariff heading	Item	HM Customs serial no. (Part 11 of the UK tariff)
ex 44.24	Household utensils of wood, handmade	1642
ex 55.07, ex 55.09, ex 58.04	Cotton gauze, other woven fabrics of cotton and woven pile fabrics, etc. Woven on handlooms	3678
73.02 C	Ferro silicon	4584

The following United Kingdom Tariff Quotas for imports of paper and board and printed products from individual EFTA countries and Finland (see *Trade and Industry* 28 November 1974) have also been exhausted:

UK tariff heading	Item	Country of origin	HM Customs serial no. (Part 11 of the UK tariff)
ex 48.07 BIc)1	Paper and paperboard – other: coated mechanical printing paper	Sweden	2621
ex Chpt. 49		Norway	3139

Inquiries about current tariff quota balances may be made to HM Customs, Central Tariff Quota Registration Unit, King's Beam House, Mark Lane, London EC3R 7HE, tel. 01-626 1515 ext. 2570

New EC legislation

The legislation listed below has been published in the 'Official Journal of the European Communities' as indicated against each item. The 'Official Journal' is now published in English and copies should be obtained from HMSO. Information about the items listed, in so far as other Member States' requirements are concerned, is available to British exporters from Department of Trade, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU (tel. 01-248 5757, ext. 7174/482/408). Other information may be obtained from the reference point given at the end of the item.

Applications for copies of the *Official Journal of the European Communities* containing the legislation referred to should be made to HMSO and not to the inquiry points given in the notices.

COMMON AGRICULTURAL POLICY: The texts of the following Regulations which affect agricultural sectors in the EEC have been published in the *Official Journal of the European Communities*:

Cereals and rice. Regulation (EEC) 2415/75 amending Regulation (EEC) 1921/75 laying down certain transitional measures in respect of starches (*Official Journal* L247, 23 September 1975).

Milk and milk products. Regulation (EEC) 2429/75 fixing the adjustments to be made to refunds fixed in advance for milk and milk products (*Official Journal* L249, 25 September 1975).

HARMONISATION OF LEGISLATION: Motor Vehicles. Corrigendum. The *Official Journal of the European Communities* L247, 23 September 1975 contains the following correction to Directive 75/524/EEC adapting to technical progress Directive 71/320/EEC on the approximation of the laws of the Member States relating to the braking devices of certain categories of motor vehicles and their trailers (published in *Official Journal* L236, 8 September 1975):

Page 8, Annex II, Appendix, item 6:

for: '6. CONDITIONS TO BE FULFILLED IN THE CASE OF FAILURE OF THE BRAKING DISTRIBUTION SYSTEM
When the requirements of this Appendix are met by means of a special device (eg, controlled mechanically by the suspension of the vehicle), it shall be possible in the event of failure of this device or its control secondary to stop the vehicle under the conditions prescribed for braking in the case of motor vehicles; in the case of trailers and semi-trailers in the event of failure of the control a service braking rate of at least 30 per cent of that prescribed for the vehicle in question shall be attained.'

read: '6. CONDITIONS TO BE FULFILLED IN THE CASE OF FAILURE OF THE BRAKING DISTRIBUTION SYSTEM
When the requirements of this Appendix are met by means of a special device (eg, controlled mechanically by the suspension of the vehicle), it shall be possible in the event of failure of this device or its control to stop the vehicle under the conditions prescribed for secondary braking in the case of motor vehicles; in the case of trailers and semi-trailers in the event of failure of the control a braking rate of at least 30 per cent of the service brake performance prescribed for the vehicle in question shall be attained.'

Finance for industry from EEC sources

Sources of finance for industry are available from the EEC in a number of different forms for a variety of purposes. Loans are available from the European Investment Bank (EIB) and the European Coal and Steel Community (ECSC); readaptation and research grants from the ECSC; grants for training and resettlement from the European Social Fund; and grants from the European Regional Development Fund. This article is concerned with the principal *loan* facilities available for investment projects, ie loans from the European Investment Bank and loans from the European Coal and Steel Community.

Because of the ability of the EIB and the ECSC to borrow on favourable terms on the international capital markets, and because they are non-profit making institutions, the rates of interest offered compare very favourably with rates available to UK borrowers from commercial sources. And in the assisted areas loans from these sources may supplement assistance given under the Industry Act to produce an attractive financing package. Those considering EIB or ECSC loans should however note that the bulk of loans from these sources is made in foreign currency, and that they will therefore have to take into account an exchange risk factor.

European Investment Bank

The European Investment Bank (or EIB) was set up under Articles 129 and 130 of the Treaty of Rome on a non-profit-making basis with the aim of contributing to the balanced development of the Community by making loans or giving guarantees towards:

a projects for developing less-developed regions;

b projects for modernising or converting undertakings or for developing fresh activities called for by the progressive establishment of the Common Market;

c projects of common interest to several Member States.

Under subsequent Association Agreements the EIB's activities have gradually been extended to Greece, Turkey and the other associated countries. This article concentrates on the Bank's role within the EEC.

Organisation

The Board of Governors of the Bank, who lay down general policy, approve the balance sheet and annual report, and are responsible for senior Bank appointments, consists of the Ministers of Finance of the Community's Member States. The Board of Directors, also with representatives of each Member State, as well as of the Bank and of the Commission, takes the decisions on individual loan applications, on the raising of EIB finance and on changes in interest rates. The UK has three Directors on the board: Mr. C. W. Fogarty (Deputy Secretary, HM Treasury); Mr. R. F. Prosser (Deputy Secretary, Department of Industry); Mr. R. G. Raw (former adviser to the Governor of the Bank of England).

A Management Committee, comprising a President and four Vice-Presidents (including Sir Raymond Bell, formerly Deputy Secretary in HM Treasury), is responsible for the day-to-day business of the Bank. Of the Bank staff, Dennis Kirby, a Principal Adviser in the Department for Loans in member countries, handles projects in the UK.

The Borrowers

The EIB lends to private and public enterprises for viable projects which fulfil the Bank's broad aims referred to above. Most of the loans made to UK enterprises have been for projects in the assisted areas that will contribute to regional development. The Bank has also given priority to projects which contribute to an increase in the EEC's self-sufficiency in energy.

The Bank, which does not lend more than 40 per cent of the fixed cost of a project, generally supports large projects and most loans made direct are for more than £1 million. However it does make so-called 'global loans' to financial intermediaries for on-lending in smaller amounts to small and medium-sized firms. Two such facilities have been provided to the Industrial and Commercial Finance Corporation (ICFC) in the UK.

Terms of EIB loans

EIB loans are made in a cocktail of currencies the composition of which depends on the currencies available to the Bank at the time, although the Bank will try and take account as far as it can of the borrowers preferences.

Loans are repayable in the same currencies in the same proportions as those of the loan. The bank is able to offer an attractive interest rate – currently 9½ per cent. The duration of loans for industrial projects is normally seven to 12 years. If the project's cash flow projections warrant it the Bank may agree to defer repayments of the loan for up to two to four years. As security the Bank normally requires guarantees from

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an industrial or financial group associated with the project (eg a strong parent company) or from a bank.

Administrative procedures

Applications for loans should be made through a banker or direct to the Bank's head office at 2 Place de Metz, Luxembourg, and should be accompanied by supporting documents covering the activities and financial situation of the applicant and describing the project to be financed.

The data provided should include recent annual reports, balance sheets, operating and profit-and-loss accounts, assessments of markets and profitability, the production programme, and the names of the loan's guarantors. The application should also demonstrate how the project conforms with the objectives of the Bank.

This information will be examined in detail by the Bank, who will assess the project's technical and commercial viability, the soundness of the enterprise and the guarantee, and the project's conformity with the Bank's objectives. If this process is satisfactorily accomplished applications are considered by the bank's board of directors on the basis of a general paper from which commercially confidential information is excluded.

Before a loan is offered the board's approval has to be supported by the EEC Commission and by the Member State in which the project is to be located. The whole procedure, from the receipt of applications to the completion of the loan agreement, is conducted under the normal rules of banking secrecy.

Loans to the UK

There has been a steady increase in the Bank's lending to the UK since the UK's accession to the EEC on 1 January 1973. Three loans amounting to £33 million were approved in 1973, nine loans amounting to £80 million in 1974; and nine loans so far in 1975 amounting to £117 million. By July 1975 the total finance approved by the Bank for UK projects amounted to £230 million, and included finance for substantial steel, North Sea oil and gas, nuclear power and coal projects. The bulk of the loans have been made to projects in the assisted areas.

Further information

Those requiring further information should contact the Bank itself at 2 Place de Metz, Luxembourg (tel. Luxembourg 43 50 11) or the Department of Industry, Millbank Tower, Millbank, London SW1P 4QU (tel. 01-211 6255); the Scottish Economic Planning Department, 314 St. Vincent Street, Glasgow G3 8XF (tel. 041-248 2855); or the Industry Department, Welsh Office, Government Buildings, Gabalfa, Cardiff CF4 4YL (tel. 0222 62131), as appropriate.

European Coal and Steel Community (ECSC)

There are three principal loan facilities for industry operated by the EEC Commission under the Treaty of Paris, two available to the coal and steel industries, one to industry generally:

i Under Article 54 part 1 of the Treaty the Commission makes loans towards investment programmes concerned directly with coal or steel production.

ii Under Article 54 part 2 the Commission makes loans to works and installations contributing directly to an increase in production, to a reduction of production costs or to improved marketing (eg through improvements to harbour installations) of coal and steel products.

iii Under Article 56 the Commission may make loans towards programmes or projects, in any industry, which create new economically sound activities able to reabsorb workers made redundant, or about to be made redundant, as a result of modernisation or changed market conditions in the coal or steel industries.

Terms of ECSC loans

The Commission charges the same rate of interest on all its loans. This is currently 8½ per cent. However the Commission may make part of reconversion loans under Article 56 (iii above) available at a concessionary rate of interest 3 per cent below the normal rate (ie currently 5½ per cent) for five years. The proportion of the loan which the Commission will make at the concessionary rate will be related to the proportion of the employment generated by the project which will be taken up by redundant workers in the coal or steel industries.

The currency of loans depends on the currencies available to the Commission, which raises finance on the international money markets as well as through levies on the EEC coal and steel industries. For UK borrowers the bulk of ECSC loans will be in a foreign currency. Repayments are in the same currencies and in the same proportions as those of the loan. The term of ECSC loans, which are made on a secured basis, is usually 15 years.

Applications

Applications under i and ii above should be made direct to the Commission of the European Communities, General Directorate for Credit and Investments, Place de la Gare, Luxembourg. They should include full details about the nature and cost of the project, the financial situation and recent financial history of the applicant, the financing plan for the project and the security offered. As loans under Article 54 part 2 require the unanimous approval of the Council of Ministers, it would be helpful for the Government to be advised of such applications by a copy to the Department of Industry when the application is made to the Commission.

Applications for reconversion loans (iii above) should contain similar information but must be made to the Commission through the Government concerned. Applications for projects in England should therefore be made to the Department of Industry, at headquarters or to its Regional Offices. Applications for projects in Scotland should be made to the Scottish Economic Planning Department of the Scottish Office and for projects in Wales to the Industry Department of the Welsh Office.

For these reconversion loans the Commission will need to be satisfied that a reasonable proportion of the new employment generated is likely to be taken up by redundant coal and steel workers, and may well seek undertakings that the enterprise concerned will endeavour to achieve this.

Applications for all loans will be appraised by the Commission for the viability of the project and its conformity with the criteria laid down by the Treaty of Paris. Loans under ii and iii above require the approval of the Council of Ministers.

Twenty loans amounting to £151 million have been approved for the UK under Article 51a since 1 January 1973, and reconversion loans amounting to £45 million have been approved under Article 56, including a global loan of £10 million to Finance for Industry for on-lending to small- and medium-sized firms.

Further information

Those wishing further information on loans under Article 54 should contact the Department of Industry, Thames House South, Millbank London SW1P 4QJ (tel. 01-211 4442) and for loans under Article 56, the Department of Industry, Millbank Tower, Millbank London SW1P 4QU, (tel. 01-211 6255) the Scottish Economic Planning Department, 314 St. Vincent Street, Glasgow G3 8XF (tel. 041-248 2855); or the Industry Department, Welsh Office, Government Buildings, Gabalfa, Cardiff CF4 4YL (tel. 0222 62131), as appropriate.

Statistics

The economy: selected indicators

Series expressed as index numbers and seasonally adjusted except where shown otherwise

	Gross domestic product (average estimate)	Consumers' expenditure	Fixed capital expenditure: Total	Fixed capital expenditure: of which, Manufacturing industry	Fixed capital expenditure: of which, Distributive and service industries	Changes in stocks: Total	Changes in stocks: of which, Manufacturing industry	Changes in stocks: of which, Wholesalers	Changes in stocks: of which, Retailers	Balance of payments: Current balance	Balance of payments: Visible balance	Balance of payments: Invisible balance
	at 1970 prices		at 1970 prices			at 1970 prices				at current prices		
Base of index	1970	1970	1970	1970	1970							
£m in base year		31,365	9,380	2,130	2,090	series in £ million				series in £ million		
1970	100	100	100	100	100	450	325	68	−30	735	−12	747
1971	102	103	102	93	104	70	−148	62	−10	1,048	282	766
1972	104	109	104	82	117	−5	−175	48	−11	128	−690	818
1973	110	114	107	88	125	960	396	102	334	−835	−2,295	1,460
1974	110	114	105	98	113	553	666	81	−68	−3,668	−5,234	1,566]
1972 2nd qtr.	104	108	104	81	118	4	−81	1	33	138	−64	202
3rd qtr.	104	110	103	79	115	8	−35	6	−16	−89	−280	191
4th qtr.	107	111	105	80	124	19	13	24	−10	−11	−213	202
1973 1st qtr.	110	115	109	86	130	353	166	37	51	−150	−354	204
2nd qtr.	109	112	104	83	118	274	88	3	185	−78	−403	325
3rd qtr.	110	114	107	92	120	155	46	29	47	−198	−564	366
4th qtr.	109	114	107	89	132	178	96	32	51	−409	−974	565
1974 1st qtr.	106	113	108	97	112	−174	−31	18	−59	−849	−1,275	426
2nd qtr.	110	112	100	96	110	274	191	43	27	−918	−1,307	389
3rd qtr.	112	114	103	97	119	359	368	3	−14	−830	−1,206	376
4th qtr.	111	116	107	101	113	94	139	17	−22	−1,071	−1,446	375
1975 1st qtr.	110	116	106	93	102	−172	−4	−31	−57	−316	−722	406
2nd qtr.	107	114	103	86	100	−340	−121	−52	−52	−235	−525	290
% change last 2 qtrs. on prev. 2 qtrs.	−2.5	—	−0.8	−9.4	−13.2							
on a year earlier	+0.5	+2.2	+0.5	−7.4	−8.9							

	Index of industrial production: Total all industries	Index of industrial production: Total manufacturing industries	Personal expenditure: Retail sales	Personal expenditure: Cars: new registrations	Prices and costs: Index of retail prices: Index‡	Prices and costs: Index of retail prices: % increase on a year earlier	Prices and costs: Index of wholesale prices: all manufacturing industry: basic materials and fuel used‡	Prices and costs: Index of wholesale prices: all manufacturing industry: manufactured products: home sales‡	Prices and costs: Basic hourly wage rates of manual workers (all industries and services)‡	Labour: Unemployed excluding school leavers and adult students: mid-month count	Labour: Unemployed excluding school leavers and adult students: % of total employees	Labour: Unfilled vacancies for adults: mid-month count	Trade§: Exports	Trade§: Imports
				monthly averages									totals	
Base of index	1970	1970	1971		Jan. 1974		1970	1970	31 July 1972				Series in	
£m in base year			15,895	thousands						thousands		thousands	£ million	
1971	100.5	99.7	100.0	108.5	153.4†	9.4	104.6	109.0	88.9	737	3.2	129	8,810	8,528
1972	102.6	102.3	105.8	138.6	164.3†	7.1	109.2	114.8	101.4	816	3.6	145	9,140	9,830
1973	110.2	110.9	110.7	137.3	179.4†	9.2	144.5	123.2*	115.6	581	2.6	304	11,771	14,066
1974	106.4	108.0	109.9	102.7	108.5	16.0	215.3	152.0	138.7	572+	2.5+	298+	15,886	21,120
1974 1st qtr.	104.0	106.3	109.8	103	101.4	12.9	212.5	138.3	125.0	546	2.4	286	3,563	4,838
2nd qtr.	107.9	109.6	107.3	104	107.5	15.8	213.7	148.9	132.3	552	2.4	311	3,977	5,284
3rd qtr.	108.4	109.9	111.0	109	110.2	17.0	212.9	156.1	144.0	592	2.6	306	4,239	5,445
4th qtr.	105.3	106.1	111.6	96	115.1	18.2	222.1	164.9	153.5	..	..	..	4,106	5,553
1975 1st qtr.	104.4	105.7	111.5	106	122.0	20.3	220.9	176.0	163.6	701	3.1	..	4,637	5,359
2nd qtr.	100.1	100.2	108.7	91	133.6	24.3	225.6	186.3	176.2	814	3.6	166	4,479	5,004
3rd qtr.										967	4.2	133		
1974 Sept.	107.3	108.5	112.2	118	111.0	17.1	212.8	158.6	146.4	603	2.7	301	1,465	1,838
Oct.	106.2	106.6	111.4	102	113.2	17.1	220.1	162.2	148.7	607	2.7	294	1,371	1,859
Nov.	105.8	106.9	112.8	98	115.2	18.3	223.8	164.8	153.9	613	2.7	273	1,327	1,929
Dec.	103.8	104.9	110.8	87	116.9	19.1	222.5	167.6	158.0	..	..	..	1,408	1,765
1975 Jan.	105.1	107.2	113.0	109	119.9	19.9	222.1	173.0	159.7	678 e	3.0	..	1,589	1,876
Feb.	105.0	106.6	112.3	113	121.9	19.9	218.8	175.9	162.0	705	3.1	192	1,480	1,796
Mar.	103.2	103.3	109.4	97	124.3	21.2	221.9	179.2	169.0	722	3.2	186	1,568	1,687
Apr.	101.5	101.7	120.2	89	129.1	21.7	222.9	182.5	170.1	760	3.3	173	1,393	1,690
May	99.5	99.5	102.5	90	134.5	25.0	226.2	187.3	176.4	817	3.6	156	1,616	1,664
June	99.5	99.6	104.5	95	137.1	26.1	227.7	189.0	182.2	864	3.8	141	1,470	1,650
July	100.0	100.3	104.7	89	138.5	26.3	232.8 p	191.7 p	184.1	938	4.1	129	1,579	1,872
Aug.			104.9	92	139.3	26.9	241.0 p	193.7 p		967	4.2	134	1,494 p	1,864 p
Sept.										997	4.4	135		
% change latest 3 months on prev. 3 months	−3.5	−3.9	−5.3	+0.1	+7.0		+4.5	+4.6	+8.3	+18.9		−15.4	−1	+7
on a year earlier	−8.1	−9.2	−4.4	−13.4	+26.4		+10.0	+24.7	+32.7	+63.3		−56.7	+10	—

(‡) Not seasonally adjusted. (§) On a balance of payments basis. * After April 1973, affected by changes due to VAT. † Base of index Jan. 1962 = 100.
+ Average of 11 months. e Figure is estimate.

Industry's investment intentions for 1975 and 1976

The Department of Industry's latest inquiry into investment intentions was sent to contributors at the end of July and replies were received in August and the first half of September. The survey related to the final forecast of capital expenditure for 1975 and a further forecast for 1976. Compared with the previous inquiry (carried out in April/May) the results for 1975 are less pessimistic for manufacturing industry but much the same for the distributive and service industries. Further details are given below.

Manufacturing industry

The latest survey suggests that the volume of manufacturing industry capital expenditure will not show as great a fall in 1975 as indicated by the April/May inquiry. There is always a margin of uncertainty in deriving a forecast from the intentions data on the basis of past relationships between intentions and subsequent out-turn. For the latest survey an interpretation based only on these relationships would produce a forecast volume of investment for 1975 which looks rather high in the light of the recorded decline in the first half of the year, when investment was 9 per cent below the second half of 1974. When the evidence of this steep fall is taken into account, the stated intentions point to an estimated year-on-year (1975 on 1974) fall of some 11 or 12 per cent which compares with the 15 per cent estimated from the previous inquiry. This implies a slowing down in the rate of decline through 1975, with a fall of 6 per cent between the first and second halves of the year.

Contrary to the overall trend, increases in the volume of investment in 1975 are likely in the coal and petroleum products, the chemicals and the metal manufacturing industries. Significantly greater than average falls are expected in the food, drink and tobacco, the engineering, the textiles, leather and clothing and the 'other manufacturing' industry groups. By asset, the fall may be somewhat greater in new building work than in plant, machinery and vehicles.

Between 1975 and 1976 a smaller fall is expected in the volume of investment, perhaps of the order of 5 per cent.

Distributive and service industries (excluding shipping)

On the basis of the previous inquiry, it was expected that the volume of investment in these industries would fall by 10 per cent, or slightly more, in 1975, with a further, but smaller reduction in 1976. The results of the latest inquiry have very largely confirmed this expectation: the decline in 1975 now appears likely to be nearer to 12 per cent.

Levels of investment

As a guide to the orders of magnitude involved, the following table gives figures for recent years, with rounded estimates for 1975.

	Industry's capital expenditure (£ million at 1970 prices)	
	Manufacturing industry	Distributive and service industries (excluding shipping)
1970	2,130*	1,726
1971	1,991	1,801
1972	1,738	1,956
1973	1,864	2,114
1974	2,087	1,959
1975 (estimate)	1,850	1,730

* peak

Symbols used in all statistical tables

.. not available	r revised
— nil or less than half	* five week period
the final digit shown	ø fifty-three week
p provisional	period

Notes

This survey is the latest of a regular series directed to a panel of companies, mainly larger companies but including some small ones in manufacturing industry and in the distributive and service industries. The surveys are carried out three times a year. On this occasion, companies responding to the survey accounted for about 45 per cent of the capital expenditure of manufacturing industry and 40 per cent of that in the distributive and service industries. Respondents' returns are grossed up to give figures of aggregated intentions and these form the basis of the forecasts. The interpretation is not straightforward as contributors' estimates vary around the actual out-turn for the year. The forecasts made are, in general, based on an analysis of the relationships between past expectations and actual capital expenditure. The aggregated intentions used in assessing manufacturing industry's investment are given below.

Figures from respondents are generally given in expected future prices and their estimates of price rises are used to convert them to volume. This is an additional source of uncertainty in a period of rapidly rising prices.

Exploration and development work in the North Sea is classified as a mining activity and is excluded from these surveys. The steel industry is included, but the figures otherwise relate very largely to private industry. Further details of coverage are given in regular articles in *Trade and Industry* on the results of the quarterly inquiry into capital expenditure: the latest of these articles was published on 3 October. This included a breakdown of expenditure by industry groups.

The figures of manufacturing industry aggregated intentions for recent years have been revised to correspond with the revised actual expenditure figures first published in this journal on 5 September 1975. The series from 1961 to date is given below: (the August/September survey was the third main inquiry for 1975 and the first for 1976).

Aggregated investment intentions – manufacturing industry £ million

	Main inquiry			Actual capital expenditure at current prices
	1st	2nd	3rd	
1961	1,260	1,368	1,391	1,248
1962	1,261	1,344	1,316	1,182
1963	1,084	1,219	1,188	1,068
1964	1,110	1,293	1,367	1,232
1965	1,423	1,651	1,553	1,423
1966	1,581	1,691	1,636	1,517
1967	1,586	1,567	1,628	1,485
1968	1,577	1,770	1,734	1,593 (a)
1969	1,957	2,115	2,112	1,868 (a)
1970	2,306	2,520	2,225	2,130
1971	2,354	2,437	2,354	2,187
1972	2,380	2,424	2,303	2,042
1973	2,430	2,624	2,577	2,428
1974	3,131	3,362	3,160	3,242
1975	3,746	3,564	3,921	
1976	4,410			

(a) After allowing for expenditure estimated at £46 million at current prices brought forward into 1968 from 1969 to secure the higher rate of investment grant.

Have you a good export picture?

Each week *Trade and Industry* publishes pictures illustrating Britain's export business. Companies with export successes are invited to send in the story with a photograph showing the goods in manufacture, ready for despatch, or, preferably, on arrival overseas. The story must, of course, reach us while it is still news.

Send your export photographs to the Editor, *Trade and Industry*, Room 439, 1 Victoria Street, London SW1H 0ET.

Structure of company finance[1]

This note analyses the main changes in the sources and uses of funds by industrial and commercial companies in aggregate over the last decade. There are a number of ways of compiling statements of the sources and uses of funds depending on the purpose for which they are required. The presentation adopted here is a simplified one designed to illustrate the main sources and uses of funds and their relative importance for companies in aggregate, and may not be suitable for examining the position of industrial companies. The Accounting Standards Steering Committee have recently issued a Statement of Standard Accounting Practice on 'Statements of source and application of funds', the purpose of this statement being to show clearly the sources and uses of funds by individual companies. The examples in the statement use a method similar to that adopted here but not identical because of the different objective.

Statistics on the sources and uses of funds by companies identify on the one hand how funds are obtained and on the other how they are used. However there are a number of problems in determining to what extent there should be prior 'netting out' of like items and also in deciding on which side of the account items should appear. 'Netting out' involves either offsetting a particular type of expenditure against a particular source of funds, such as dividends being charged against profits, rather than being treated as a separate use of funds, or vice versa where a particular type of income is offset against expenditure on similar items such as creditors being offset against debtors. Whatever presentation is used, it is not possible to do more than show how companies raised money and how these total funds were spent. The statistical information is only an historic record of what happened and cannot show how much money companies wished to raise and spend; nor does it show for what purpose particular funds were acquired, nor how particular expenditure was financed.

There are two sets of statistics on the sources and uses of funds by non-financial companies in aggregate:

1 Department of Industry (DI) analysis of the published consolidated accounts of large listed[2] and unlisted companies operating mainly in the United Kingdom in manufacturing, distribution, construction, transport and certain other services. These figures are published annually in Business Monitor, M 3, Company Finance.

2 Quarterly data on the sources and uses of funds of all industrial and commercial companies resident in the United Kingdom published in *Financial Statistics*. These data form part of the national accounts.

The main advantage of the DI data is that they are drawn from company accounts which provide a comprehensive and balanced account of sources and uses of funds. However, because the analysis is based on the consolidated accounts of groups of companies the figures also include any overseas subsidiaries of these companies. In addition the figures relate to companies' accounting period ending in the fiscal year so that the time period covered ranges over nearly two years; for instance, the 1972 analysis includes some accounts with accounting years ending in April 1972 and others ending on 5 April 1973. This can make it difficult at times to distinguish changes.

The national accounts data, on the other hand, provides a consolidated account for all industrial and commercial companies so that, for example, dividends passing between industrial and commercial companies resident in the United Kingdom do not appear in the figures. The DI data, in contrast, are only consolidated to the extent that they are taken from the consolidated accounts of groups of companies, so that, for example, dividends passing between two groups of companies are included in the DI figures. Also the national accounts data, because they relate only to the United Kingdom activity of companies, do not include their overseas operations and instead show explicitly certain transactions between the United Kingdom parent and their overseas subsidiaries. However, the national accounts figures for industrial and commercial companies are not drawn from a common source and the quality of the information varies considerably. Further, not all financial assets and liabilities are covered by the statistics, the most important omissions being trade creditors and debtors other than overseas. The extent of the errors and omissions in the national accounts data is revealed by the discrepancy between total sources and total uses of funds, giving rise to an amount for unidentified items, which can be very large.

The broad features of the DI analysis of large companies' sources and uses of funds are very similar to those for all industrial and commercial companies from the national accounts data; the companies in the DI analysis are thought to account for something like three-fifths to two-thirds of the net assets of all industrial and commercial companies. The two sets of figures do, however, differ marginally partly because of differences in coverage, timing, and the definition of items so that comparisons between the two sets of data cannot be precise.

Figures showing the main sources and uses of funds as a percentage of total sources or uses based on the two sets of data, using as far as possible a common form of presentation, are given in Tables 1 and 2, while Charts 1 to 4 show the growth in the value of the main sources and uses of funds. Care is needed in the use of the percentages because, for example, a marked change in the importance of one source may reflect a corresponding change in a use of funds and can mask the changes in other sources and uses.

Both sets of data, as illustrated in Charts 1 to 4, show little change or a fall in total *sources* of funds 1964 to 1967; an increase 1967 to 1969 as output increased; little change or a fall 1969 to 1971 with the slowing down in output; and a rapid rise after 1971 to which both internal and external funds contributed. Part of this rise was associated with the increase in output in 1972, but some of it reflected the rapid increase in prices after 1971 and the need to increase funds in order to maintain the same volume of expenditure. Expenditure on stocks which tends to be volatile rose sharply after 1971 with the increase in prices, and the money spent on fixed assets, the most important item of expenditure, also rose but at a slower rate than total sources of funds. Another factor affecting the increase in sources of funds was that companies were increasing their investment in liquid assets from 1971 onwards. The national accounts estimates suggest the total fell in 1974 thus ending the rapid increase of 1971-73. This was almost entirely due to a reduction in external funds, associated mainly with a reduction in expenditure on liquid assets, and a slowing down in the rate of growth of internal funds.

The most important source of company finance is internal funds. These funds for both sets of data are defined as representing trading income and other revenue income gross of depreciation and stock appreciation, plus capital receipts, less tax, dividend and interest payments. The figures in the tables suggest that internal funds as a proportion of total funds fluctuates according to the position in the economic cycle, being high at the peak of the profits cycle and low in the trough. These internal funds accounted for somewhere between two-thirds and four-fifths of total funds over the period 1964-70 for the DI analysis, and a similar proportion for the national accounts series up to 1971. Thereafter the proportion increases in the DI series but decreases in the national accounts series. After 1970 the DI analysis shows internal funds rising to over 80 per cent of total sources in 1971 and 1972 before dropping back in 1973 to a level comparable to the 1960s. The national accounts series on the other hand remained at the 1960s level in 1971 but in 1972 and 1973 internal funds dropped to around 55 per cent of total sources before showing an increase to 63 per cent in 1974. The reason for this divergence was mainly related to bank borrowing. The national accounts figures for all industrial and commercial companies showed a small increase in bank borrowing in 1971 followed by large increases in 1972 and 1973, while the companies in the DI analysis showed a reduction in bank borrowing in 1971 and no large increase until 1973. This divergence may be indirectly linked with the new credit control arrangements for the banking system which were introduced at the end of the third quarter of 1971. With the new system bank borrowing became more freely available and expanded rapidly for all industrial and commercial companies. But different groups of companies appear to have reacted in diverse ways to the new situation.

Some of the divergence between the DI analysis and the national accounts data in 1972 is also due in part to the fact that some com-

[1] This note is a substantially shortened version of an article 'Structure of Company Financing' by J. L. Walker (a statistician in the Department of Industry) which appeared in the September issue of *Economic Trends*. The article explores in detail the various problems of compiling statements of sources and uses of funds by companies.

[2] Listed companies are companies whose securities have been admitted to the Official List of the Stock Exchange; these were formerly referred to as quoted companies.

CHART 1 : Sources of funds of large companies in manufacturing, distribution and other services

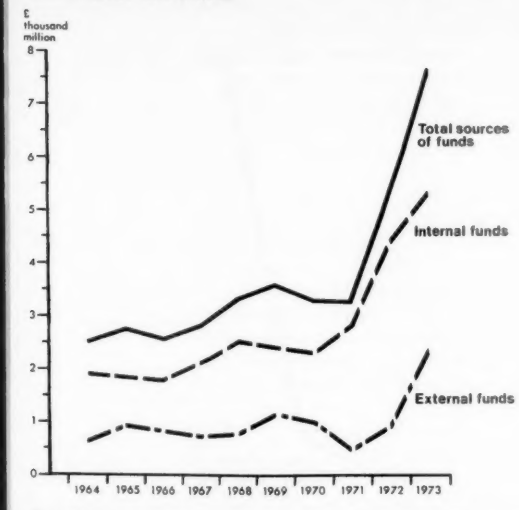


CHART 2: Uses of funds of large companies in manufacturing, distribution and other services

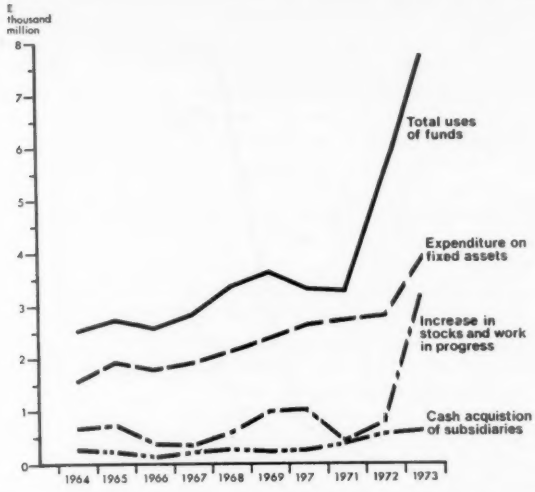


TABLE 1 Sources and uses of funds of large listed and unlisted companies in manufacturing, distribution and other services[2]

	Per cent of total sources/uses										
	1964	1965	1966	1967	1968	1969	1970	1971	1972	1972 [8]	1973
Number of companies [3]	3,169	3,045	2,938	2,800	2,606	2,446	1,938	1,851	1,754	1,158	1,116
Sources of funds											
Net trading income [1, 4]	107.2	97.5	97.2	93.1	94.4	87.4	91.7	106.1	87.1	89.7	77.9
Other income	6.1	7.0	6.5	6.5	6.9	7.6	9.4	9.7	7.2	7.8	8.1
Depreciation [5]	36.0	37.1	42.7	40.6	38.2	37.9	42.9	48.5	33.2	32.5	25.9
Gross income	149.4	141.7	146.5	140.2	139.5	132.9	144.1	164.3	127.6	130.0	111.8
Other capital receipts	2.1	1.9	1.9	14.0	11.3	9.9	11.7	9.3	5.5	5.2	4.0
Taxation payments [6]	−39.7	−41.2	−42.1	−47.3	−44.1	−44.8	−53.9	−51.1	−28.1	−28.8	−23.0
Dividend payments (net of tax) [6]	−28.4	−27.7	−26.7	−21.5	−19.3	−18.1	−19.0	−20.9	−10.6	−11.2	−13.8
Interest on long-term loans	−5.3	−5.6	−7.4	−8.1	−8.1	−8.7	−10.1	−11.9	−8.2	−9.0	−7.6
Other expenditure on capital account [7]	−2.7	−2.1	−3.0	−2.9	−3.0	−3.5	−3.3	−3.7	−2.9	−3.2	−1.6
Total internal funds	75.5	67.1	69.2	74.4	76.3	67.8	69.5	85.9	83.1	83.1	70.0
Bank borrowing	11.2	16.9	9.8	2.6	7.8	17.1	18.1	−4.2	6.9	6.9	21.1
Ordinary shares issued for cash [8]	5.5	3.2	3.9	3.8	8.8	6.0	2.9	4.1	3.9	4.0	0.6
Preference and long-term loans [8]	7.9	12.8	17.0	19.3	7.1	9.1	9.5	14.2	6.0	6.1	8.4
Total external funds	24.5	32.9	30.8	25.6	23.7	32.2	30.5	14.1	16.9	16.9	30.0
Total sources of funds	100	100	100	100	100	100	100	100	100	100	100
Uses of funds											
Tangible fixed assets	66.1	70.3	69.1	66.2	62.4	64.8	77.5	80.6	51.7	48.6	46.8
Acquisition of subsidiaries	20.9	18.7	15.8	28.1	52.5	25.8	26.1	27.8	31.5	37.8	17.5
Less shares and loans issued in exchange	−9.4	−10.1	−10.7	−20.0	−43.3	−19.4	−18.9	−17.1	−22.2	−27.0	−9.4
Cash cost of acquisitions	11.5	8.6	5.1	8.1	9.2	6.4	7.3	10.7	9 3	10 8	8.1
Working capital											
Stocks [1]	26.8	26.1	15.1	12.5	17.8	27.9	31.4	13.6	15.5	17.3	42.6
Liquid assets [9]	−2.8	−3.7	0.8	6.1	4.1	2.5	−1.0	12.6	17.6	19.4	8.8
Debtors [10]	31.1	26.0	24.5	29.6	31.8	35.2	30.9	−7.1	25.1	25.4	39.2
Creditors [10]	−29.1	−24.4	−16.7	−22.0	−26.1	−36.1	−45.9	−10.2	−24.4	−27.4	−50.4
Debtors less creditors [10]	1.9	1.6	7.8	7.6	5.7	−0.9	−14.9	−17.2	0.7	−2.0	−11.2
Total working capital	25.9	24.0	23.7	26.3	27.7	29.5	15.4	8.9	33.8	34.6	40.2
Other expenditure											
Investments	1.3	−0.4	2.7	1.4	2.6	0.5	1.3	3.4	6.8	7.8	6.7
Intangible assets [11]	0.2	0.5	0.6	0.9	1.3	1.3	0.7	0.1	0.4	0.4	0.8
Consolidation adjustment	−5.1	−3.0	−1.2	−2.8	−3.2	−2.6	−2.2	−3.6	−2.0	−2.2	−2.5
Total uses of funds	100	100	100	100	100	100	100	100	100	100	100
[1] Including stock appreciation of	6.5	7.5	7.5	5.0	11.0	13.0	20.0	20.5	15.0	16.0	30.0

Notes to Table 1 :

[3] Source : DI analysis of large listed and unlisted companies which operate mainly in the UK in manufacturing, distribution, construction and certain other services. Companies whose main interests are in agriculture, mining, shipping, insurance, banking and finance and those operating mainly overseas are not included. For 1964 to 1969 the analysis covers all companies in scope with net assets of £½ million or more or gross income of £50,000 or more in 1964; from 1970 the size limits are £2 million net assets or £200,000 gross income in 1968. The 1965-72 figures are final figures for listed and unlisted companies with comparable data for the previous year in Tables 1 and 3; 1973 and comparable 1972 figures are final figures for only listed companies. The figures for each year relate to accounting years ending between 6 April of the year shown and 5 April of the following year.

[3] The number of companies decreases between the comparable figures for each set of years because those companies acquired in the current year were independent in the previous year.

[4] Trading income net of depreciation and short-term interest, before deduction of tax, dividend and long-term interest payments.

[5] Depreciation at book values as charged in companies' accounts.

[6] Taxation payments include income tax payable on dividends; dividend payments are net of tax in all years.

[7] Consists of expenses on share or loan issues, amounts written off current assets and liabilities not separately distinguished, expenditure charged against reserves, and decreases in minority interests.

[8] Increase net of redemptions and excludes shares and loans issued in exchange for subsidiaries acquired.,

[9] Covers cash, bank deposits, UK Treasury Bills, tax reserve certificates, and any other short-term deposits.

[10] Short-term loans are included in creditors, and short-term credit advanced and received by UK subsidiaries of overseas companies is included in debtors and creditors respectively.

[11] Covers expenditure on research and development which has not been written off against profits, patents, trade marks, licences, royalty agreements, and any goodwill not arising out of acquisitions of subsidiaries.

CHART 3: **Sources of funds of all industrial and commercial companies**

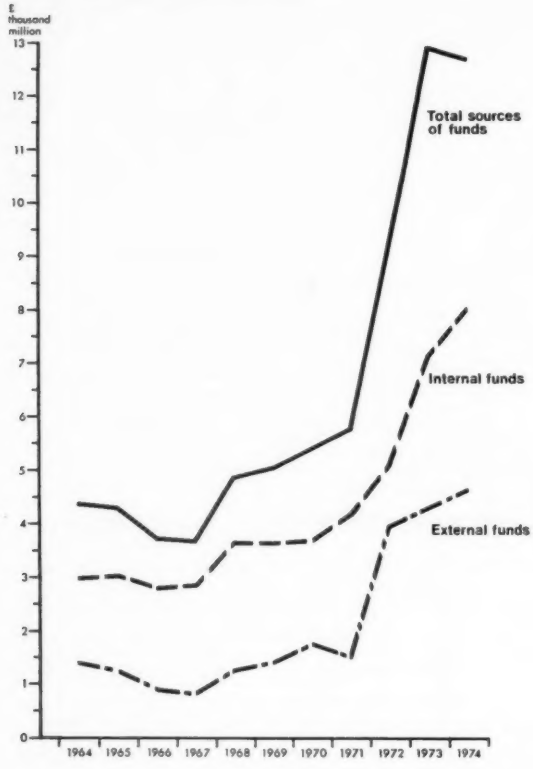
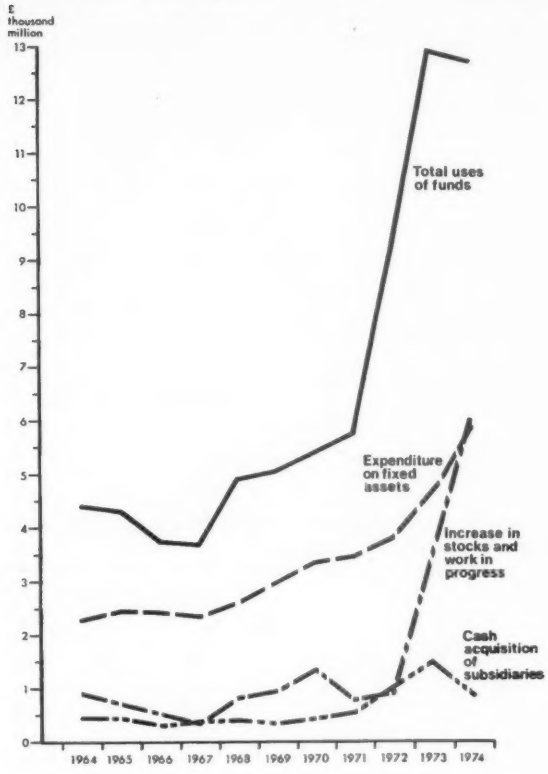


CHART 4: **Uses of funds of all industrial and commercial companies**



panies, and in particular those with financial years ending after September 1972, delayed payment of dividends that would have otherwise been distributed in their financial year ending in 1972 until their following financial year in order to take advantage of the introduction of the Imputation System of Corporation Tax from 6 April 1973. This had more effect on the DI company accounts figures as these relate to companies' financial years ending between 6 April 1972 and 5 April 1973, while the national accounts data relates to calendar years. However, in 1973 dividend payments by the companies in the DI analysis then showed a much greater increase than for all industrial and commercial companies in the national account estimates as the dividends withheld were paid. This helped to reduce the importance of internal funds in 1973 in the DI analysis.

From the data for 1964 to 1970 it seems the underlying level of internal funds relative to total funds remained fairly stable over the 1960s apart from cyclical changes. The divergence in 1972 and 1973 between the two sets of data makes the position now unclear. However, in 1973 the companies in the DI analysis returned to the levels of the 1960s and they will probably remain in this range in 1974 providing the bank borrowing by these companies increases at a similar rate to that experienced by industrial and commercial companies in total. In addition the national accounts series for 1974 also shows a return to a level of internal funds relative to external funds not markedly lower than in the 1960s, due mainly to liquid assets being reduced, suggesting again that companies may be returning to a level of internal funds relative to external funds comparable to that in the 1960s.

External funds consist of bank borrowing, long-term loans and cash issues of ordinary shares. Short-term loans are also included in the figures of external funds based on the national accounts data, but not for the DI figures where these loans are not separately estimated, being included indistinguishably as part of creditors. The principal components of external funds are long-term loans and bank borrowing. Cash issues of ordinary shares are not a very important source of finance in terms of size, even for the large, mainly listed companies covered by the DI analysis. However, new issues of ordinary shares have an importance greater than the amount of money raised because they increase the value of companies' equity and affect their gearing, that is the ratio of loan capital to equity. These new issues therefore enable companies to either reduce their gearing to what they consider to be a more appropriate level, or provide the basis for more borrowing of loan capital. In 1974 the depressed share market made new issues of ordinary shares for cash very expensive and companies had to rely heavily on bank borrowing, thus increasing their gearing. The recent spate of rights issues will help to reduce gearing ratios to more acceptable levels. Issues of long-term loans and preference shares increased in importance in 1965 to 1967 mainly because the tax changes introduced in 1965 made long-term loans more advantageous than previously. After 1967 their importance declined a little probably because companies had reached a new level of gearing which they thought more appropriate.

External funds have grown at a somewhat similar rate to internal funds. The importance of these funds fluctuates with the economic cycle, tending to reach a peak relative to internal funds in the year following the peak in the profit cycle. The data only covers 10 years which makes it very difficult to draw firm conclusions, but these data are not inconsistent with the idea that companies are only prepared to borrow up to a certain point relative to internal funds, beyond which the gearing ratio becomes unacceptable.

The main *use* of funds is for the purchase of fixed assets. Expenditure on fixed assets is cyclical and tends to continue to rise at a fast rate in the year following the peak of the cyclical increase in profits. The figures suggest that purchases of fixed assets accounted for between 45 and 80 per cent of total funds for the large companies and 35 to 65 per cent for all companies. The higher level suggested by the figures for large companies is probably due to differences in coverage, definition, etc.; for example, the DI analysis covers all expenditure on fixed assets including that by overseas subsidiaries while the national accounts data relates only to UK expenditure on these assets.

Expenditure on fixed assets is of a similar order of magnitude to internal funds. Internal funds are not, however, necessarily used to finance expenditure on fixed assets; they may be required for other purposes, but since they are so important their size must affect the most important use of funds, that is the expenditure on fixed assets. Also in times of financial squeeze internal funds are depressed and companies tend to react to financial pressures by cutting back fixed investment. In addition the availablility of internal funds is a reflection of profitability and the decision to invest is dependent on the assessment of future profitability.

Cash expenditure on subsidiaries fluctuates considerably from year to year, as does the total amount spent on subsidiaries. The proportion of shares and loans issued in exchange for subsidiaries tends to be higher when other share issues are also higher, ie when share prices are high, although they are much more variable from year-to-year than shares issued for cash. As a proportion of total funds the cash expenditure on subsidiaries has ranged from 7 to 12 per cent for all industrial and commercial companies over the last decade, and from 5 to 12 per cent for just the large companies in the DI analysis.

The other important use of funds is to finance stocks. The increase in stocks (including stock appreciation) has averaged 16 per cent of total uses of funds over the period 1964 to 1972 for all industrial and commercial companies, and somewhat higher for the large companies in the DI analysis. In both cases around three-fifths of this expenditure was accounted for by stock appreciation, that is the additional amount of money needed due to higher prices to maintain the same volume of stocks. However stockbuilding is very cyclical in nature causing the increase in the book value of stocks to fluctuate considerably from year to year. In recent years stockbuilding has been affected also by the much higher levels of stock appreciation. In 1973 expenditure on stocks rose sharply to 27 per cent of total funds for all industrial and commercial companies and to over 40 per cent for the companies in the DI analysis, with stock appreciation accounting for around three-quarters of the expenditure on stocks. There was a further sharp increase in 1974 to 47 per cent of total funds for all industrial and commercial companies, with stock appreciation accounting for just over 80 per cent of the expenditure on stockbuilding.

Debtors and creditors can be a source of a use of funds depending on the net position. The large companies in the DI analysis in the years 1964-68 were net suppliers of credit, ie the increase in debtors was greater than creditors, but the position after that was reversed with these companies becoming net receivers of credit in 1970, 1971 and 1973. This reversal may have come about and have continued because of the action taken in 1969-71 by companies to improve their liquidity position following the liquidity pressures during that period. Figures for debtors and creditors are not shown separately in the national accounts series.

Increases in working capital as a whole for the large companies prior to 1970 averaged around a quarter of the total use of funds and grew at a similar rate to total funds, but apart from 1971 thereafter averaged more than one-third of the total. With the marked change in the debtors and creditors position and the increase in liquid assets in 1971 and 1972 and to a lesser extent in 1973 it is difficult to draw any firm conclusions about the relationship between working capital and expenditure on fixed assets. However, working capital must be expected to keep up with changes in turnover and hence must reflect the increases in prices in recent years.

TABLE 2 Sources and uses of funds of all industrial and commercial companies[12]

Per cent of total sources/uses

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Sources of funds											
Gross income[1,2]	143.1	154.9	173.5	179.6	155.5	156.5	156.7	163.9	119.6	115.1	146.2
Unremitted profits of overseas subsidiaries[3]	−3.1	−3.6	−4.6	−4.8	−5.3	−5.9	−5.4	−5.0	−4.5	−6.0	−6.4
Gross income net of unremitted profits overseas	139.9	151.3	168.9	174.8	150.2	150.6	151.2	158.9	115.1	109.2	139.8
Capital transfers	0.4	0.5	0.7	6.4	9.3	11.8	9.6	10.3	4.5	2.9	2.9
Taxation payments including tax on dividends[4]	−36.5	−39.2	−43.9	−52.7	−43.5	−46.0	−51.3	−53.0	−34.1	−24.9	−40.1
Dividend payments on ordinary shares net of income tax[5]	−18.8	−21.9	−23.7	−23.4	−17.2	−18.1	−15.0	−16.2	−10.0	−10.7	−11.6
Interest payments and other dividends[5]	−12.9	−16.1	−22.7	−23.6	−20.4	−22.7	−22.9	−21.8	−15.9	−18.0	−25.4
Profits due abroad net of unremitted profits in the United Kingdom[6]	−3.1	−2.8	−2.9	−3.0	−2.9	−2.6	−2.7	−3.9	−2.8	−2.5	−1.8
Transfers to public corporations and charities	−0.6	−0.7	−0.9	−0.9	−1.1	−0.9	−1.0	−1.0	−0.6	−0.4	−0.4
Total internal funds	68.5	71.1	75.5	77.6	74.4	72.1	68.0	73.4	56.2	55.5	63.3
Bank borrowing	17.2	11.6	5.0	9.1	11.6	13.1	20.8	12.8	32.9	35.0	34.8
Proceeds of issues of ordinary shares in the United Kingdom for cash	3.6	1.5	3.3	1.8	6.2	3.6	0.8	2.8	3.6	0.8	0.3
Issues of preference shares and debentures for cash and other loans and mortgages[7]	10.7	15.9	16.2	11.6	7.8	11.1	10.4	11.1	7.3	8.7	1.6
Total external funds	31.5	28.9	24.5	22.4	25.6	27.9	32.0	26.6	43.8	44.5	36.7
Total sources of funds	100	100	100	100	100	100	100	100	100	100	100
Uses of funds											
Gross domestic fixed capital formation	52.3	56.8	64.9	64.4	53.5	59.4	62.0	60.5	41.6	35.9	46.1
Cash acquisitions of subsidiaries and trade investments	9.9	10.2	7.6	10.5	8.8	7.2	8.3	9.9	10.8	11.6	6.6
Working capital											
Stocks	20.4	16.6	15.2	9.7	17.0	18.9	24.8	13.5	10.2	26.5	47.0
Bank deposits and other liquid assets	1.9	1.7	0.7	12.1	4.2	−4.0	4.7	20.0	25.8	20.7	−0.1
Intra-company investment[8]											
By United Kingdom companies overseas net of unremitted profits held abroad	4.0	5.7	4.2	4.5	2.6	4.5	3.4	4.4	2.1	6.2	5.9
By overseas companies net of unremitted profits held in the United Kingdom	−0.9	−2.0	−4.3	−6.0	−4.2	−4.9	−7.9	−8.4	−1.6	−5.3	−9.9
Import deposits[9]	—	—	—	—	1.5	8.0	−4.2	−4.4	—	—	—
Export credit *less* import credit[10]	0.2	0.5	3.1	1.4	1.1	0.1	−0.1	−2.4	−1.5	−0.8	−0.7
Total working capital	25.6	22.5	18.9	21.7	22.2	22.5	20.8	22.7	35.0	47.3	42.2
Other domestic and identified overseas assets	3.4	1.7	3.5	−0.4	1.5	1.1	−0.1	−0.2	1.6	−0.2	0.4
Unidentified[11]	8.8	8.8	5.1	3.8	14.1	9.9	9.0	7.1	11.0	5.3	4.6
Total uses of funds	100	100	100	100	100	100	100	100	100	100	100
[1] Including stock appreciation of	5.4	6.0	8.1	4.1	9.7	11.9	16.8	15.2	12.0	20.1	38.5

Notes to Table 2:

[2] Gross income is income arising in UK before depreciation *plus* income from abroad after depreciation (including unremitted profits of overseas subsidiaries).

[3] Profits of overseas subsidiaries of UK companies retained abroad. Separate figures for industrial and commercial companies have only been collected since 1968; earlier figures are estimates based on the movement in total company sector unremitted profits held abroad.

[4] Consists of UK taxes accruing on income *plus* taxes paid abroad *less* additions to tax reserves, *plus* income tax payable on UK dividends. The taxes paid abroad include both taxes on unremitted profits retained abroad and on dividends remitted to the UK.

[5] Net of income tax in all years on dividends.

[6] Represents dividends, interest, etc., paid to parent company overseas. The unremitted profits are the profits of UK subsidiaries of overseas companies retained in the UK. Separate figures of unremitted profits for industrial and commercial companies have only been collected since 1968; earlier figures are estimates based on the movement in total company sector unremitted profits held in the UK.

[7] Including 'other capital issues overseas'.

[8] Intra-company investment by UK parent companies does not appear in company accounts. Such investment by UK subsidiaries of overseas parents is distinguished; short-term loans and credit received and advanced are included under creditors and debtors respectively and long-term loans from overseas parents are included with long-term loans issued for cash in the DI analysis.

[9] Included in debtors in DI analysis.

[10] Included in debtors and creditors in DI analysis.

[11] Including unidentified debtors and creditors, expenditure on intangible assets and investments in company securities other than from acquisitions of subsidiaries and trade investments, as well as errors and any other omissions.

[12] Source: *National Income and Expenditure 1964-74* and *Financial Statistics*, September 1975.

Index of industrial production for Wales – rebased in 1970

The Welsh index of industrial production provides a comprehensive measure of changes in the volume of output in the principality. Industries covered by the index (mining and quarrying, manufacturing, construction and the utilities – gas, electricity and water) account for some 50 per cent of Welsh gross domestic product.

The index has been rebased on 1970 (the previous base-year was 1968), following the practice of the United Kingdom Index. Thus the performance of Industry in Wales can now be compared directly with that in the United Kingdom as a whole, although whenever such a comparison is made – particularly at the all industries or all manufacturing industries level – it is important to bear in mind the considerably different mix of industries in Wales vis-à-vis the United Kingdom.

The principal improvement in the rebased index is the incorporation of a new source of data providing information for a large number of industries, predominantly in the manufacturing sector, for which previously fewer output indicators were available.

The index is now compiled from 354 separately weighted indices, all of which are output-based.

A more detailed description of the methodology behind the index, together with the full results from the first quarter of 1970, are included in the latest edition of *Welsh Economic Trends*.

The index will be updated regularly, with provisional estimates of output being available some 12 weeks after the end of the latest quarter.

Results for the second quarter of 1975

Provisional results of the Index of Industrial Production show a large fall in output in Wales in the second quarter of 1975. The all industries index, at 94.0, was 10.2 per cent lower than in the previous quarter. The overall United Kingdom index declined by only 4.1 per cent to 100.1.

Output in the mining and quarrying sector, after showing a substantial increase at the beginning of the year, subsequently fell back by 9.0 per cent in the second quarter. The majority of industries in the manufacturing sector in Wales also experienced a decline in output, with the all manufacturing industries index falling by 12 per cent, compared with a fall of only 5 per cent in the United Kingdom. The overwhelming influence on both this and the overall index was the decline in output of ferrous metals. Output in this industry, after rising by 21 per cent in the first quarter of 1975 fell, on a seasonally adjusted basis, by 43 per cent in the second, a far more drastic cut back than was experienced nationally. The effects of this decline on the overall Welsh index were greatly reinforced by the structure of the Welsh economy; the ferrous metals sector accounts for some 16.6 per cent of the weight in the Welsh index compared with only 4.3 per cent in the United Kingdom as a whole.

Similarly, although on a much smaller scale, the increase in output in non-ferrous metals, food, drink and tobacco and the engineering sector experienced in the first quarter of the year was followed by a decline. This decline was particularly marked in the vehicles industry where production in the second quarter fell by 13 per cent. In mechanical and instrument engineering, however, as in the timber and furniture industry, there was a small upswing in the second quarter. Production of coal and petroleum products also increased slightly; output, however, remained far below levels achieved in 1974. In the remaining industries, chemicals, bricks, pottery, glass, etc., paper, printing and publishing and other manufacturing industries, the downward trend apparent in 1974 and early 1975 was continued into the second quarter. There were also no signs of improvement in production in textiles, which had experienced a sharp drop in output at the beginning of the year.

Output in construction, considerably depressed during most of 1974, began to increase at the end of that year and in the first quarter of 1975. This was followed by only a small decline, 2 per cent, in the second quarter. The utilities index, on the other hand, fell substantially in both quarters of 1975 due principlaly to reduced output in the electricity supply industry.

Official reserves in September

The UK official reserves fell by $145 million during September. At the end of September they stood at $5,859 million.

Index of industrial production for Wales: 1970 based

Seasonally adjusted indices (1970 = 100)

1968 SIC	1970 weights per thousand	Annual indices				Quarterly indices 1974				1975	
		1971	1972	1973	1974	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	2nd qtr. (1)
Total: all industries	1,000	100.0	106.7	112.6	106.0	104.5	109.2	106.6	103.7	104.7	94.0
Mining and quarrying	85	101	79	79	62	36	72	70	69	78	71.0
Total: all manufacturing industries	701	101.1	108.1	117.2	110.2	111.3	113.6	111.2	104.8	106.2	93.5
Food, drink and tobacco	40	106	112	119	131	129	128	129	137	141	134
Coal and petroleum products	37	101	98	104	129	136	134	121	124	102	105
Chemicals and allied industries	47	112	126	131	138	129	146	147	132	119	113
Metal manufacture	199	94	99	106	85	87	83	89	82	97	63
Ferrous	166	94	101	99	78	79	74	83	77	93	53
Non-ferrous	33	94	89	114	121	127	129	119	110	115	111
Engineering and allied industries: total	222	101	106	120	117	117	122	119	110	113	107
Mechanical and instrument engineering	61	96	96	110	110	107	113	109	113	114	116
Electrical engineering	56	106	113	139	135	136	142	143	119	123	118
Vehicles (including aircraft and shipbuilding) (2)	65	104	112	116	110	112	117	107	103	107	93
Metal goods not elsewhere specified	39	97	103	113	112	112	115	116	105	108	101
Textiles, leather and clothing	59	103	115	123	107	120	119	97	91	78	77
Bricks, pottery, glass, cement, etc.	20	127	133	149	134	139	136	134	125	121	115
Timber, furniture, etc.	13	109	128	150	124	123	127	127	118	120	121
Paper, printing and publishing	31	87	98	116	85	91	91	87	73	67	64
Other manufacturing industries	32	103	129	148	142	132	150	145	143	133	131
Construction (3)	146	99	103	102	92	91	91	90	96	100	98
Gas, electricity and water	68	92	134	131	149	150	151	141	154	134	120

Source: Welsh Office.

UK Index – key components

Total: all industries	1,000	100.4	102.4	109.9	106.4	104.0	107.9	108.4	105.3	104.4	100.1
Mining and quarrying	37	99.7	84.0	98.6	83.6	57.7	90.6	92.9	93.3	92.5	91.1
Total: all manufacturing industries	745	99.6	102.0	110.5	108.0	106.3	109.6	109.9	106.1	105.7	100.2
Construction	146	102.9	104.5	107.3	98.1	101.6	98.9	98.1	93.7	93.5	92.5
Gas, electricity and water	72	103.9	111.2	117.8	118.6	108.5	118.1	121.7	126.2	119.9	119.3

Source: Central Statistical Office.

(1) Provisional.

(2) The incorporation of improved information has resulted in the index numbers for this industry being revised from the first quarter of 1974.

(3) This series, previously based largely upon movements in the output of firms registered in Wales, has now been recalculated back to 1970 using data based upon 'forward load' estimates, derived from new orders, and covering all firms located in the principality.

Business Monitor

The following titles and issues of Business Monitor are now available:

Production series

Monthly at £2.10 each a year post free:

PM33-36 Engineering (volume indices of sales and orders) for May and June 1975

PM440 Made-up clothing (sales volume indices) for June 1975

Quarterly at 70p each a year post free:

PQ101 Coal mining for second quarter 1975

PQ103 Chalk, clay, sand and gravel extraction for second quarter 1975

PQ213 Biscuits for second quarter 1975

PQ263 Lubricating oils and greases for second quarter 1975

PQ275 Soap and detergents for second quarter 1975

PQ278 Fertilisers for second quarter 1975

PQ333.1 Pumps for first quarter 1975

PQ336 Construction and earth moving equipment for second quarter 1975

PQ366 Electronic computers for first quarter 1975

PQ394 Wire and wire manufactures for second quarter 1975

PQ396.2 Jewellery for second quarter 1975

PQ422.1 Household textiles and handkerchiefs for first quarter 1975

PQ469.2 Miscellaneous building materials and mineral products for first quarter 1975

PQ483 Manufactured stationery for second quarter 1975

PQ484.1 Wallcoverings for second quarter 1975

PQ492 Plastics floorcoverings, leathercloth, etc. for second quarter 1975

PQ100.2 Manufacturing industries for second quarter 1975

Miscellaneous series

Monthly at £2.10 a year post free:

M1 Motor vehicle registrations for August 1975

Business Monitors in the Production series and Miscellaneous series, and certain Monitors (Nos. SD1 to SD9) in the Service and Distributive series, are normally available by annual subscription from Her Majesty's Stationery Office, PO Box 569, London SE1 9NH. Copies of specific issues (including back issues) can be ordered by post (payable in advance) from the Library at the Business Statistics Office, Cardiff Road, Newport, Gwent NPT 1XG (tel. 06335 6111, ext. 2973; telex 497121/497122 – Answer back BSO Newport), from which a complete list of the titles of Business Monitors is available on application. Back issues of the monthly and quarterly Monitors cost 30p a copy post free. The annual Monitors are individually priced, and the cost of these will be supplied on request. Exceptionally, copies can also be purchased over the counter at either the Department of Industry Central Library, 1 Victoria Street, London SW1H 0ET, or the Department's Statistics and Market Intelligence Library, Export House, 50 Ludgate Hill, London EC4M 7HU.

The annual Census of Production Reports (the PA series of Monitors), and the 1971 Census of Distribution Reports (which are being published as Monitors SD10 to SD23, though not all are yet available) can be obtained on standing order from Her Majesty's Stationery Office, PO Box 569, London SE1 9NH, or can be purchased separately from the Government Bookshops or through booksellers.

British Film Fund Agency returns

The British Film Fund Agency has authorised the publication of the following information for the five weeks ended 30 August 1975.

Distributors' Earnings submitted	£
Low cost films:	
Eligible (after multiplying by 2½)	44,420
Not eligible for 2½ times rental	14,218
	58,638
High cost films (including newsreels after multiplying by 2½)	368,273
	426,911
Films under 3,000 ft. (after multiplying by 2½)	39,306
	466,217
Levy collections paid to the Agency by HM Customs and Excise to 23 September 1975 approximately covering entertainments for the five weeks ended 30 August 1975.	397,167

The tenth interim allocation for the eighteenth year will be at the rate of 55 per cent.

Registrations of British, Community and foreign films

The following are details of films registered by the Department of Trade under the Films Acts 1960 to 1970, as amended by the European Communities Act 1972, during the week ended Friday, 3 October 1975.
BR/E indicates that the film is a British quota film, EC that the film is a quota film. The date which forms part of the registration number of each is the date on which quota life of the film expires.

Title of film	Registered no.	Playing time minutes	Date of registration	Registered in the name of	Maker's name
			BRITISH		
Taming The Tide	BR/E 38265/4/10/80	20	29 September	Columbia-Warner Distributors Ltd.	Antony Barrier Productions Ltd.
Movietone News 2417	BR/E 38132/4/10/80	8	3 October	British Movietonews Ltd.	British Movietonews Ltd.
			COMMUNITY		
Naked Over The Fence	EC 38271/4/10/80	87	3 October	Variety Film Distributors Ltd.	Parkfilm BV, Amsterdam
			FOREIGN		
The Fortune	F 38264	88	29 September	Columbia-Warner Distributors Ltd.	The Fortune Co., California
Lancelot Of The Lake	F 38266	85	29 September	Contemporary Films Ltd.	Mara Films, Paris
The Stepmother	F 38267	94	30 September	Transit Films Ltd.	Crown International Pictures, California
Shao Lin Kung Fu	F 38268	88	30 September	Transit Films Ltd.	Hong Kong Alpha Motion Picture Co., Hong Kong
Take A Hard Ride	F 38269	103	2 October	Fox-Rank Distributors Ltd.	Euro-General, Illinois
Legend Of Bruce Lee	F 38270	76	2 October	Variety Film Distributors Ltd.	Dovenson Co. Ltd., Hong Kong.

Correction to the Register
The registration number of the film 'Naughty Girls', registered on 4 September 1975, has been corrected to BR/E 38236/6/9/80.

Note
In the 'Correction to the Register', notified week ending 26 September 1975, the registration number of 'Sun and Games in Paradise' should have read BR/E 38223/30/8/80.

Retail sales in August

Volume

The final seasonally adjusted index of the volume of retail sales in August is 104.9, close to the provisional estimate of 105 and about the same as in both June and July.

Taking July and August together, the average monthly volume of sales was 5 per cent below the average in the first half of the year. However, the distortions to the pattern of trade resulting from the April Budget make difficult an assessment of the underlying level in the volume of trade in the most recent months.

While the average monthly volume of sales for July and August fell by 5 per cent compared with the first half of the year, there were

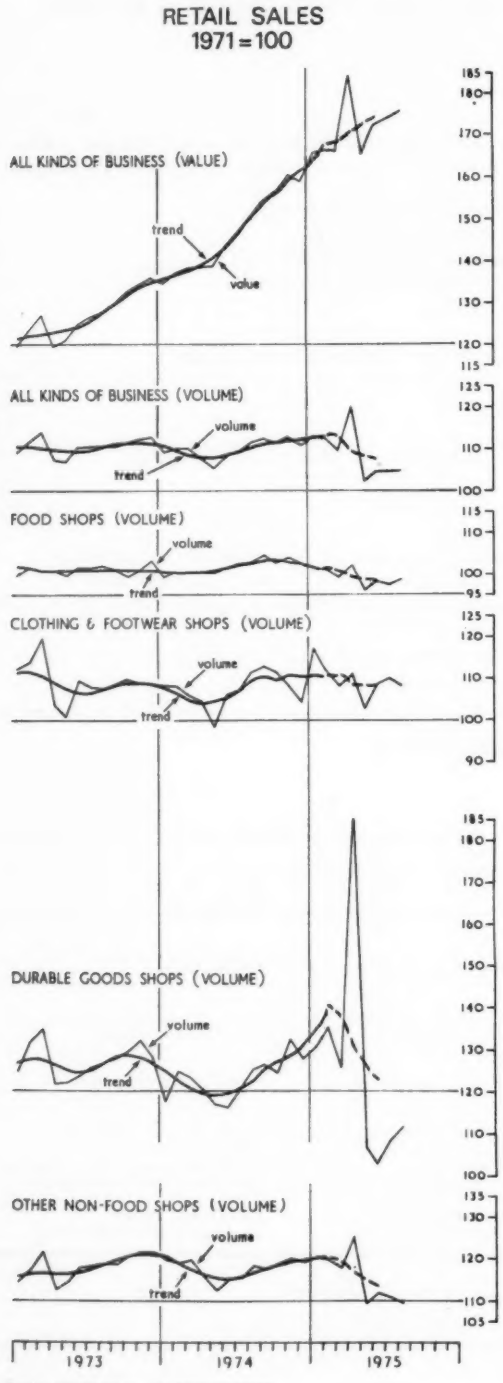


TABLE 1 Volume of retail sales seasonally adjusted

Index numbers of sales per week (average 1971 prices) 1971 = 100

(Sales in 1971 £ million Provisional estimates)	All kinds of business (15,895)	Food shops (6,693)	Non-food shops Total (9,202)	Clothing and footwear shops (2,314)	Durable goods shops (1,801)	Other non-food shops (†) (5,087)
1971	100.0	100.0	100.0	100	100	100
1972	105.8	101.5	109.0	105	115	109
1973	110.7	101.0	117.7	109	127	118
1974	109.9	101.8	115.9	107	123	117
1973 1st quarter	111.8	100.8	119.8	116	130	118
2nd quarter	108.3	100.7	113.8	105	122	115
3rd quarter	110.6	101.4	117.3	108	127	118
4th quarter	112.0	101.3	119.8	109	130	121
1974 1st quarter	109.8	100.1	116.8	107	122	119
2nd quarter	107.3	100.8	112.2	103	118	114
3rd quarter	111.0	103.3	116.7	111	124	117
4th quarter	111.6	103.0	118.0	108	128	119
1975 1st quarter	111.5	100.5	119.5	112	130	119
2nd quarter	108.7	98.7	116.0	108	129	115
1974 June*	108.2	101.7	113.0	106	116	115
July	109.2	102.3	114.2	107	121	115
August	111.4	102.7	117.7	111	125	118
September*	112.2	104.5	117.8	113	126	117
October	111.4	102.8	117.8	111	124	118
November	112.8	103.9	119.3	108	132	120
December*	110.8	102.4	117.0	104	128	119
1975 January*	113.0	101.5	121.4	117	130	120
February	112.3	101.0	120.6	112	135	120
March*	109.4	99.2	116.8	108	126	118
April	120.2	102.1	133.3	111	185	125
May	102.5	95.9	107.3	103	106	109
June*	104.5	98.1	109.1	109	102	112
July	104.7	97.3	110.1	110	108	111
August	104 9	98.5	109.6	108	112	109
1975 Mar.- May	110.6	99.1	119.0	107	138	117
June-Aug.	104.7	98.0	109.6	109	107	111
Percentage increase	−5.3	−1.1	−7.9	1	−23	−6

TABLE 2 Value of retail sales seasonally adjusted

Index numbers of value of sales per week (current prices) 1971 = 100

(Sales in 1971 £ million Provisional estimates)	All kinds of business (15,895)	Food shops (6,693)	Non-food shops Total (9,202)	Clothing and footwear shops (2,314)	Durable goods shops (1,801)	Other non-food shops (†) (5,087)
1971	100.0	100.0	100.0	100	100	100
1972	112.0	108.9	114.2	112	118	114
1973	126.9	122.8	129.9	128	136	128
1974	146.7	144.5	148.2	149	143	150
1973 1st quarter	123.5	115.5	129.3	130	138	126
2nd quarter	122.0	119.9	123.6	121	128	123
3rd quarter	127.8	124.5	130.2	129	136	129
4th quarter	134.2	131.3	136.3	134	141	136
1974 1st quarter	136.8	134.6	138.4	139	135	139
2nd quarter	140.6	139.7	141.3	141	135	144
3rd quarter	150.6	147.9	152.6	157	146	153
4th quarter	158.5	155.8	160.5	159	156	163
1975 1st quarter	166.2	161.7	169.6	173	163	171
2nd quarter	174.0	173.1	174.6	170	175	177
1974 June*	143.5	142.1	144.6	147	136	147
July	146.6	144.7	148.0	149	142	149
August	150.5	146.7	153.3	158	146	154
September*	154.0	151.5	155.8	162	149	155
October	156.4	153.2	158.8	163	148	161
November	160.3	157.5	162.2	159	161	164
December*	158.8	156.5	160.4	155	157	164
1975 January*	165.8	159.4	170.5	177	161	171
February	166.7	161.2	170.8	173	168	171
March*	166.3	164.3	167.7	168	160	171
April	184.4	173.4	192.4	173	232	187
May	165.9	169.3	163.4	163	149	169
June*	172.1	175.9	169.3	172	150	175
July	174.4	175.5	173.6	176	158	178
August	175.8	179.1	173.3	175	158	178
1975 Mar.-May	171.6	168.6	173.8	168	178	175
June-Aug.	173.9	176.8	171.9	174	155	177
Percentage increase	1.3	4.9	−1.1	4	−13	1

The indices for all shops, food shops and total non-food shops are shown to the first decimal place to help interpretation, but should not be regarded as necessarily accurate to the final digit. The best indication of the recent trend is normally obtained by comparing the average index for the latest three months with the average for the immediately preceding three months but month to month fluctuations may sometimes make it preferable to average two or four months.

When using the volume figures, it should be borne in mind that, when price increases are large, the various problems associated with revaluation of the value series to constant prices become more acute. Thus, the relative accuracy with which volume changes have been measured is likely to have been reduced in recent periods.

The monthly periods consist of four weeks except those marked * which are of five weeks. The August 1975 sales period was the four weeks from 3 August 1975 to 30 August 1975. The corresponding period in 1974 was the four weeks from 28 July 1974 to 24 August 1974.

(†) Including department stores and mail order businesses.

The press notice giving the *provisional* estimates of the seasonally adjusted index of the volume of retail sales for September and the increase in the value of sales compared with a year earlier will be published later this month.

differing movements in the main components. Sales by food shops were down by 1½ per cent and sales by clothing and footwear shops by 1 per cent. However, sales by durable goods shops, which were most affected by the Budget measures, were 15 per cent down, and sales by other non-food shops, which include department stores and mail-order businesses, were 6 per cent down.

Value

Based on non-seasonally adjusted data, the value of total retail sales in August was 16 per cent higher than in August 1974. In the first eight months of 1975, the value of sales was 21 per cent above the corresponding period of 1974.

Hire purchase and other instalment credit business in August

Finance houses and retailers advanced £235 million in new instalment credit agreements during August (seasonally adjusted). This was a little less than on average in the preceding three months. Advances by retailers, at £142 million in August, were much the same as the monthly average for May-July. Lending by finance houses was slightly lower in August than in recent months.

The total value of retailers' sales on instalment credit terms was unchanged in August compared with June and July and still slightly below the level of earlier months of the year. Department stores' sales were lower than in preceding months while durable goods shops and other instalment credit retailers showed little change in their level of sales in August.

The debt outstanding to retailers on all their instalment credit agreements showed a small increase in August while the debt to finance houses continued to decrease. At the end of August the total of amounts outstanding to retailers and finance houses was £2,238 million (not seasonally adjusted), 3 per cent less than a year earlier.

TABLE 1 Hire-Purchase and other instalment credit business seasonally adjusted £ million

	Total		Finance Houses†		Retailers‡	
	New credit extended	Increase in debt	New credit extended	Increase in debt	New credit extended	Increase in debt
1970	1,735	84	822	58	913	26
1971	2,053	240	990	165	1,063	75
1972	2,497	424	1,222	296	1,275	128
1973	2,871	438	1,453	332	1,418	106
1974	2,517	−155	1,037	−160	1,480	5
1973 3rd quarter	717	103	366	82	351	21
4th quarter	712	77	352	57	360	20
1974 1st quarter	576	−68	232	−57	344	−11
2nd quarter	614	−43	255	−45	359	2
3rd quarter	648	−15	270	−28	378	13
4th quarter	679	−29	280	−30	399	1
1975 1st quarter	723	−12	290	−16	433	4
2nd quarter	756	3	301	−23	455	26
1975 January	246	7	104	2	142	5
February	243	−10	96	−10	147	—
March	234	−9	90	−8	144	−1
April	271	26	102	—	169	26
May	247	−10	102	−10	145	—
June	238	−13	97	−13	141	—
July	246	1 r	104	−3	142	4 r
August	235	−13	93	−19	142	6
1975 Mar.-May	752	7	294	−18	458	25
June-Aug.	719	−25	294	−35	425	10
Percentage increase	−4		—		−7	
Debt outstanding at 31 December 1974 (unadjusted)	—	2,330	—	1,478	—	852

† Direct business only: ie excluding agreements block discounted with finance houses by retailers.

‡ Durable goods shops, department stores and 'other instalment credit retailers'. For further definitions see footnote to Table 2.

TABLE 2 Retailers' instalment credit sales seasonally adjusted

Index numbers of value of sales per week (current prices) 1966 = 100

	Total†	Durable goods shops	Department stores	Other instalment credit retailers‡
H.P. and other instalment credit sales in 1966 §				
£ million	(862)	(327)	(46)	(489)
1970	121	112	119	128
1971	134	138	138	131
1972	158	162	157	155
1973	176	165	181	183
1974	184	132	193	217
1973 3rd quarter	175	162	181	182
4th quarter	179	163	185	190
1974 1st quarter	171	118	176	207
2nd quarter	178	126	183	212
3rd quarter	188	134	208	222
4th quarter	198	152	211	228
1975 1st quarter	211	159	233	244
2nd quarter	222	172	224	255
1975 January*	208	158	228	240
February	216	162	241	249
March*	210	157	231	244
April	253	238	242	264
May	211	150	223	250
June*	206	136	210	252
July	206	151	237	240
August	206	148	207	246
1975 Mar.-May av.	224	180	232	252
June-Aug. av.	206	144	217	247
Percentage increase	−8	−20	−6	−2

† Durable goods shops, department stores and 'other instalment credit retailers'.

‡ General stores (other than department stores), general mail order houses and co-operative societies' non-durable goods departments.

§ Excluding sales against checks issued by other organisations.

The monthly periods for retailers consist of four weeks except those marked * which are of five weeks. The period covered by August 1975 sales was the four weeks from 3 August 1975 to 30 August 1975. The corresponding period in 1974 was from 28 July 1974 to 24 August 1974.

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Estimates of food supplies moving into consumption in the United Kingdom

Estimates of total food consumption per head in the UK for the years 1971 to 1974 are summarised in these notes and statistical tables.*

* Estimates for the pre-war years, based on official figures for various periods between 1934 and 1939 and for the years 1940 to 1966, were published in the *Board of Trade Journal*, 8 March 1968, pages 753-59; revised estimates for 1955 to 1972 were published in *Trade and Industry*, 30 August 1973, pages 459-66. A revised estimate for 1973 and provisional results for 1974 were published in *Trade and Industry*, 2 May 1975, pages 333-34.

The general picture is of little change over the four-year period; although consumption of meat, eggs and fish was lower in 1974, there were offsetting increases in dairy products, sugar and oils and fats. Measured in terms of energy content, the diet is unchanged. There have been significant increases in the consumption of alcoholic drink.

When comparing the detailed results for 1974 with those of earlier years, it should be borne in mind that additional analytical information has been obtained enabling new factors to be used for 1974 when expressing supplies of meat in terms of edible equivalent (Tables 1 and 2) and in terms of energy value and nutrient content (Tables 3 and 4).

Because of temporary distortions in the retail market towards the end of 1974 (the sugar 'shortage' and the bakers' strike), there are apparent discrepancies between the pattern of these supplies entering the distribution chain (Table 1) and those reaching final consumption (Table 6). The differences are associated with changes in stocks 'in the pipeline' for which no direct measure is available.

TABLE 1 Food supplies per head per annum moving into consumption in the United Kingdom

(lb per head per annum)

	1971	1972	1973	1974
I. DAIRY PRODUCTS (excluding butter)				
Liquid milk	306.2	306.0	309.4	315.8
(pints per head per annum)	(237.7)	(237.6)	(240.2)	(245.2)
of which, school and welfare milk (pints)	(16.6)	(6.9)	(6.3)	(5.9)
Cream (40% fat content)	3.3	3.3	3.5	3.5
Cheese	12.4	11.9	12.8	13.0
Evaporated milk, full cream, unsweetened	5.1	4.7	4.8	4.3
Condensed milk, full cream, sweetened	0.8	0.6	0.6	0.6
Condensed milk, machine skimmed	2.8	2.6	2.5	1.8
Dried whole milk	1.3	1.6	1.2	1.1
Dried skimmed milk	3.2	3.4	2.7	2.4
Yoghurt			3.2	3.8
Milk in manufactured products not elsewhere specified	16.4	17.9	15.9	16.3
Total (converted to milk solids)	56.1	56.5	56.7	57.2
II. MEAT				
Beef – bone in	40.9	36.4	32.7	43.3
Beef – bone out (expressed as bone-in equivalent) (a)	6.7	9.6	10.0	5.9
Mutton and lamb	22.1	20.4	18.2	16.8
Pork	26.0	27.2	26.7	26.4
Offal	7.8	8.0	7.6	7.5
Canned meat (imported)	7.6	7.8	7.7	6.9
Bacon and ham	26.2	24.7	22.3	20.7
Poultry	23.5	26.5	25.9	25.9
Game and rabbits	0.6	0.6	0.6	0.5
Total (converted to edible weight)	134.1	133.6	125.3	125.3 (b)
III. FISH				
Fresh, frozen and cured (wet fillet equivalent)	14.8	14.1	13.6	14.0
Shell fish, fresh and frozen (edible weight)	1.1	1.2	1.6	1.3
Canned fish (imported)	2.5	3.0	2.9	2.2
Total (edible weight)	18.4	18.3	18.1	17.5
IV. EGGS				
Shell eggs (numbers)	254	253	244	240
Egg products (equivalent number of eggs)	19	20	18	16
Total	273	273	262	256
V. OILS AND FATS (visible)				
Butter	18.0	15.9	16.8	18.8
Margarine (gross)	12.7	14.0	12.8	11.1
(net) (c)	12.0	13.1	12.0	9.7
Lard and compound cooking fat	11.2	12.4	12.0	13.4
Other edible oils and fats	13.5	12.3	14.2	13.2
Total (converted to fat content)	49.7	48.8	50.1	50.4
VI. SUGAR AND SYRUPS				
Sugar refined (d) (i) (gross)	104.0	105.5	103.7	113.5
(ii)	99.8	101.3	99.2	108.7
(iii) (net)	95.6	97.5	95.0	104.6
Honey	0.9	0.7	0.8	0.5
Glucose	12.0	13.1	14.0	15.4
Total (sugar content) (gross) (d)	115.0	117.3	116.4	127.1
(net)	106.4	109.1	107.4	117.9
VII. FRUIT				
Fresh citrus fruit	23.1	20.7	23.2	20.7
Other fresh fruit	54.2	49.8	48.9	49.4
Canned fruit	17.2	17.8	18.9	15.5
Imported fruit juices (in natural strength)	7.6	7.3	7.8	9.0
Imported fruit pulp	1.5	1.6	2.0	1.6
Imported dried fruit	5.4	5.8	5.3	4.8
Total (converted to fresh equivalent)	129.1	123.9	125.6	121.0

	1971	1972	1973	1974
VIII. PULSES AND NUTS				
Dried pulses (e)	7.0	7.2	7.5	6.6
Shelled nuts and soya flour	4.7	5.5	6.0	5.0
Total	11.7	12.7	13.5	11.6
IX. POTATOES AND POTATO PRODUCTS (f)				
Total including the following Products	221.2	215.2	218.4	219.8
Crisps	14.7	15.3	17.5	18.9
Frozen and par-fries	7.9	9.1	13.1	16.8
Canned and dehydrated	8.3	7.9	9.5	10.6
Pre-peeled	3.0	3.4	3.8	4.2
X. OTHER VEGETABLES				
Fresh tomatoes	13.1	12.4	12.7	12.6
Imported canned tomatoes (including juice and purée)	6.9	8.0	9.0	9.8
Cabbage and greens	36.0	37.0	35.5	34.5
Leafy salads	4.6	4.7	4.9	4.5
Fresh carrots	11.7	11.4	11.6	11.5
Fresh legumes	18.4	21.5	23.0	25.4
Other fresh vegetables	29.2	28.8	30.4	30.4
Other canned vegetables (g)	8.2	8.9	11.1	10.0
Total (converted to fresh equivalent)	133.9	139.0	146.2	146.4
XI. GRAIN PRODUCTS				
Wheat flour	142.4	140.6	140.3	135.5
Barley products	0.3	0.3	0.3	0.3
Oat products	2.8	3.3	3.1	3.1
Rye products	0.5	0.5	0.5	0.4
Breakfast cereals	6.5	7.1	7.9	7.9
Rice	3.9	3.7	3.5	3.3
Starch and other farinaceous foods	3.1	2.0	3.1	3.7
Total	159.7	158.6	158.8	154.2
XII. TEA, COFFEE AND COCOA				
Tea	8.2	8.0	7.5	7.8
Coffee (bean equivalent) (h)	4.7	4.4	5.9	4.5
Cocoa powder	1.0	1.2	1.2	0.9
XIII. ALCOHOLIC DRINK (i)				
Spirits (proof pints) (j)	3.0	3.4	4.3	4.7
Beer (pints)	185.2	189.3	196.9	200.9
Wine (pints)	7.4	8.9	11.2	11.8
XIV. ENERGY VALUE (kcal per head per day)				
Food (including coffee and cocoa)	3,070	3,060	3,040	3,000 (k)
Alcoholic drink	136	142	153	159

(a) To convert from product weight to bone – in equivalent a factor of x 1.30 is used.
(b) Using revised conversion factors (see Table 5). The total for 1974 in terms of edible weight, using 1973 factors, would have been 127.1 lb/head.
(c) Excluding ingredients shown as separate items elsewhere in the tables (eg butter and lard).
(d) (i) Total consumption of sugar including sugar content of imported manufactured foods; (but see text).
(ii) = (i) less sugar used in production of alcoholic drinks;
(iii) = (i) less sugar used in alcoholic drinks and sugar content of products covered elsewhere in the table to provide for the calculation of calories.
(e) Includes dried beans and dried peas for canning.
(f) Raw equivalent.
(g) Excludes canned dried peas, canned dried beans (beans in tomato sauce, etc.), and canned tomatoes.
(h) Including coffee extracts and essences.
(i) Quantities retained for home use, based on information provided by HM Customs and Excise.
(j) Excludes medical spirit.
(k) Using revised energy factors (see Table 3). The total for 1974, using 1973 factors, would have been 3,070 kcal per head per day.

Overall consumption of dairy products has risen steadily over the four-year period with consumption of cheese at its highest recorded level in 1974. Average consumption of liquid milk continued its increase in 1974, and the reduction of 11 pints per head in supplies of welfare milk, reflecting changes in school and other welfare milk arrangements, was more than offset by increased purchases. Consumption of condensed, evaporated and dried milks fell, while that of yoghurt, first recorded separately in 1973, rose by 19 per cent in 1974.

Available supplies of all meats for consumption fell from 134.1 lb per head in 1971 to 125.3 lb in 1973, but increased by nearly 2 lb per head between 1973 and 1974. This change is masked by the use in 1974 of the new conversion factors referred to above. From 1971 to 1973 consumption of bone-in beef fell while that of boneless beef (converted to bone-in weight) increased, but this situation was reversed in

TABLE 2 Summary of the main food groups from Table 1

(lb per head per annum)

	1971	1972	1973	1974
Dairy products (excluding butter) (as milk solids)	56.1	56.5	56.7	57.2
Meat (including canned meat, bacon and ham) (as edible weight)	134.1	133.6	125.3	125.3 (b)
Fish (edible weight)	18.4	18.3	18.1	17.5
Eggs and egg products (number)	273	273	262	256
Oils and fats (visible) (fat content)	49.7	48.8	50.1	50.4
Sugar and syrups (sugar content gross) (a)	115.0	117.3	116.4	127.1 (c)
Fruit (as fresh equivalent)	129.1	123.9	125.6	121.0
Pulses and nuts	11.7	12.7	13.5	11.6
Potatoes	221.2	215.2	218.4	219.8
Other vegetables (as fresh equivalent)	133.9	129.0	146.2	146.5
Grain products	159.7	158.6	158.8	154.2
Tea	8.2	8.0	7.5	7.8

(a) For further breakdown see Table 1.
(b) Using revised conversion factors (see Table 5). The total for 1974, using 1973 factors would have been 127.1 lb/head.
(c) See text.

TABLE 3 Nutrient equivalent of supplies of food per head per day moving into consumption in the United Kingdom

		1971	1972	1973	1974 (a)	1974 (b)
I. FOOD						
Protein:						
Animal	g	52.4	52.6	51.1	51.5	52.3
Vegetable	g	32.4	32.5	33.1	31.6	31.6
Total	g	84.8	85.1	84.2	83.1	83.9
Fat from all sources:						
Animal	g	131	128	126	129	121
Vegetable	g	13	14	15	12	12
Total	g	144	142	141	141	133
Fatty acids (c):						
Saturated	g	—	63.5	65.9	66.4	63.1
Monounsaturated	g	—	56.7	53.5	53.4	49.8
Polyunsaturated	g	—	15.6	14.8	14.2	13.5
Carbohydrate (d):						
Animal	g	23	24	24	24	24
Vegetable	g	361	361	360	369	369
Total	g	384	385	384	393	393
Calcium	mg	1,110	1,110	1,120	1,120	1,110
Iron	mg	14.8	14.9	14.7	14.4	13.0
Vitamin A	iu	4,380	4,550	4,310	4,300	4,280
Vitamin A, retinol equivalents	μg	1,320	1,370	1,290	1,290	1,280
Thiamin	mg	1.88	1.89	1.88	1.87	1.71
Riboflavin	mg	1.89	1.96	1.97	1.94	1.94
Nicotonic acid (e)	mg	20.3	20.2	20.7	20.0	19.2
Nicotinic acid equivalents (f)	mg	35.0	35.5	35.7	34.9	34.3
Vitamin C	mg	100	99	99	99	99
Vitamin D	iu	119	126	129	116	115
Vitamin D	μg	2.98	3.15	3.23	2.91	2.87
Energy value	kcal	3,070	3,060	3,040	3,070	3,000
	MJ (g)	12.8	12.8	12.7	12.8	12.6
Energy value (calculated on FAO factors)	kcal	3,150	3,140	3,120	3,140	3,080
	MJ (g)	13.2	13.1	13.1	13.1	12.9
II. ALCOHOLIC DRINKS (not included in Section I of this table)						
Energy value	kcal	136	142	153	159	159

(a) Using the same nutrient conversion factors as for 1973.
(b) Using revised nutrient factors.
(c) New series from 1972.
(d) Available carbohydrate expressed as monosaccharides.
(e) Total nicotinic acid.
(f) Available nicotinic acid plus the contribution from tryptophan.
(g) 1000 kilocalories (kcal) = 4.184 megajoules (MJ).

TABLE 4 Percentage of total energy supply derived from each major food group, and from protein, fat and carbohydrate (a)

	1971	1972	1973	1974 (b)	1974 (c)
Dairy products (excluding butter)	12.4	12.4	12.7	12.7	13.0
Meat (including canned meat and bacon)	17.2	17.0	16.0	16.0	14.1
Oils and fats (including butter)	18.2	17.9	18.3	18.3	18.7
Sugar and syrups	17.0	17.5	17.3	18.8	19.3
Potatoes	5.1	5.0	5.1	5.1	5.2
Grain products	22.3	22.1	22.4	21.6	22.1
Other foods	7.8	8.1	8.2	7.5	7.6
	100.0	100.0	100.0	100.0	100.0
Protein	11.0	11.1	11.1	10.8	11.2
Fat	42.2	41.8	41.6	41.3	39.8
Carbohydrate	46.8	47.1	47.3	47.9	49.0

(a) Excludes energy derived from alcoholic drink.
(b) Using the same nutrient factors as for 1971-1973.
(c) Using revised nutrient factors.

TABLE 5 Factors for converting weight to common denominators in 1974

I.	DAIRY PRODUCTS (excluding butter) to milk solids		
	Liquid milk	0.124	
	Cream (40% fat content)	0.456	
	Cheese	0.66	
	Evaporated milk, full cream unsweetened	0.31	
	Condensed milk, full cream, sweetened	0.31	
	*Condensed milk, machine skimmed	0.222	(0.217)
	includes: Condensed milk, unsweetened	0.20	
	Condensed milk, sweetened	0.26	
	Dried whole milk	0.95	
	Dried skimmed milk	0.95	
	Yoghurt (a)	0.145	
II.	MEAT (product weight to edible weight)		
	Beef – bone in	0.83	(0.84) (b)
	Beef – bone out	1.00	
	Mutton and lamb	0.84	(0.86)
	Pork	0.74	(0.78)
	Offal	1.00	
	*Canned meat (imported)	0.971	(1.025)
	includes: Canned corned meat	1.43	
	Canned pig products	0.90	
	Canned tongue	1.00	
	Canned and fresh sausages	0.75	
	Canned bacon and ham	0.80	
	Canned poultry	1.00	
	Other canned meat	0.75	
	Other meat products	0.80	
	Bacon and ham	0.89	
	*Poultry	0.70	
	Game and rabbits	0.81	
V.	OILS AND FATS (product to fat content)		
	Butter	0.825	
	Margarine	0.853	
	Lard and compound cooking fat	0.99	
	*Other edible oils and fats	0.999	
	includes: Dripping	0.99	
	Edible oils and fats	1.00	
	Cocoa butter	1.00	
VI.	SUGAR AND SYRUPS (products to sugar content)		
	Sugar	1.00	
	Honey	0.77	
	*Glucose	0.862	
	includes: Glucose liquid	0.82	
	Glucose powder	1.00	
VII.	FRUIT (product to fresh equivalent)		
	Canned fruit	0.80	
	Imported fruit juices (in natural strength)	2.00	
	Imported fruit pulp	0.85	
	Imported dried fruit	4.00	
X.	OTHER VEGETABLES (product to fresh equivalent)		
	*Imported canned tomatoes (including juice and puree)	1.517	(1.612)
	includes: Canned tomato puree and paste	2.50	
	Canned tomato juice	1.00	
	*Other canned vegetables	1.259	(1.246)
	includes: Canned carrots	1.15	
	Canned peas (fresh)	1.51	
	Canned other vegetables	1.10	

* The commodities marked by an asterisk are composite items and the factors used may vary from year to year with any change in the composition or proportion of the various foods included. 1973 factors are shown in brackets.
(a) Natural yoghurt.
(b) Includes fats which might subsequently be trimmed at a later stage of distribution.

1974 with an increase of 10.6 lb per head in supplies of bone-in beef (equivalent to 32 per cent) and a reduction of 4.1 lb per head in supplies of boneless beef. There was a rise of 2 per cent in pork consumption over the four-year period and a drop of 9 per cent in supplies of imported canned meat compared with the earlier years. Consumption of poultry meat reflected some levelling off compared with the steady rising trend in earlier years.

The continuing decline in consumption of fresh fish was reversed in 1974 with a small increase of 3 per cent (0.4 lb per head). Shellfish, on the other hand, after increasing by 45 per cent between 1971 and 1973, fell by 18 per cent (0.3 lb per head) in 1974. Imported canned fish fell by 12 per cent over the period.

Consumption of eggs in shell fell from 254 eggs per head in 1971 to 244 in 1973 and 240 in 1974, while that of egg products fell from 19 eggs per head in 1971 (in terms of shell egg equivalent) to 16 eggs in 1974, a drop of 16 per cent.

Total usage of oils and fats (converted to net fat content) increased from 49.7 to 50.4 lb over the period. Butter usage fell from 18.0 lb in 1971 to 15.9 lb in 1972, but recovered to 16.8 lb in 1973 and to 18.8 lb in 1974, while the consumption of margarine showed a corresponding decrease. Supplies of lard and compound cooking fat rose from 11.2 lb in 1971 to 13.4 lb in 1974 (20 per cent) but other edible oils and fats fell slightly.

The latest estimates of quantities of sugar becoming available for consumption in 1974 show a considerable increase over 1973 of almost 10 lb per head per annum. This increase is not reflected in the final consumption figures in Table 6. It is probable that some purchasers laid in extra stocks during the supply difficulties in the second half of the year and that additional supplies of refined sugar, mainly from EEC countries and imported at the end of 1974, were still in the distribution chain at the turn of the year.

With the exception of 1973, total fruit consumption has fallen yearly since 1971, (by 6 per cent overall), although supplies of imported fruit juices have risen and consumption of fresh citrus fruit has fluctuated according to variations in supply. There was a slight upturn in consumption of other fresh fruit, including apples, pears and soft fruits in 1974 to 49.4 lb per head following a steady decline from 54.2 lb in 1971 to 48.9 lb in 1973. Supplies of canned fruit rose by 10 per cent between 1971 and 1973 but fell in 1974 by 18 per cent. This apparent variation could be due, in part, to the greatly increased imports of canned fruit recorded during 1973 being held in stock by manufacturers and distributors for use at a later date. Consumption of dried fruit fell from 5.8 lb per head in 1972 to 4.8 lb in 1974, a reduction of 17 per cent, reflecting the reduction in world supplies.

Although consumption of potatoes in all forms decreased in 1972 there has been a small but steady rise over the past three years. Consumption of potato products has increased considerably, with frozen and par-fries more than double the 1971 level.

Supplies of other vegetables increased in total from 133.9 lb per head in 1971 to 146.4 lb in 1974 (about 9 per cent). Within this total there was a slight fall in consumption of fresh tomatoes, cabbage and greens, leafy salads and fresh carrots, but increases of 2.9 lb in canned tomatoes, 7.0 lb in fresh legumes, 1.2 lb in other vegetables and 1.8 lb in other canned vegetables.

Usage of grain and grain products (mainly wheat flour and rice) declined in total between 1971 and 1974. Consumption of oat products increased by 0.3 lb per head between 1971 and 1974 and that of breakfast cereals rose steadily from 6.5 lb per head in 1971 to 7.9 lb in 1974. Consumption of starch increased from 3.1 lb in 1971 to 3.7 lb in 1974, despite a fall in 1972.

TABLE 6 Consumption per head of some food products as finally purchased (a)

(lb. per head per annum)

	1971	1972	1973	1974 (prov.)
Bread	120.9	118.2	115.0	115.3
Flour	21.6	20.4	19.9	20.1
Cakes	21.3	20.4	19.4	18.0
Biscuits	22.1	22.4	22.6	23.0
Beef and veal (b)	29.4	25.9	23.8	28.1
Mutton and lamb (b)	20.2	18.8	16.9	15.7
Pork (b)	11.3	11.7	11.4	12.2
Poultry (including game and rabbits) (b)	22.4	26.3	25.8	25.5
Canned meat	12.1	12.6	13.0	12.0
Sugar (visible) (c)	56.7	54.9	50.2	47.8
Canned vegetables	34.3	34.8	38.7	37.7
Frozen vegetables	7.3	8.4	10.4	10.0
Chocolate confectionery	13.0	14.1	15.5	15.2
Sugar confectionery	12.0	12.0	12.4	12.1
Soft drinks (pints per head)	89.8	92.5	106.2	117.5
Ice cream (£ per head at current prices)	1.75	1.84	2.09	2.26

(a) The ingredients of these foods are included in the quantities shown in Table 1.
(b) Weight as purchased; excludes usage in manufactured products, such as sausages and meat pies.
(c) Excludes sugar content of manufactured foods.
Source: Ministry of Agriculture, Fisheries and Food.

Although tea drinking declined between 1971 and 1973, there was an upturn in 1974 to 7.8 lb per head (a rise of 4 per cent over 1973) compared with 8.2 lb in 1971. Cocoa consumption fell to 0.9 lb per head in 1974, 25 per cent less than 1973 and 0.1 lb less than 1971. Supplies of coffee available to the consumer, after a sharp rise in 1973, returned in 1974 to just above the 1972 level. The high figure in 1973 was, however, probably inflated by increased stocks of processed coffee held by manufacturers and distributors at the end of that year.

Alcoholic drinks

The estimates of consumption of alcoholic drink in Section XIII of Table 1 are based on statistics collected by HM Customs and Excise of quantities of beers, wines and spirits retained for use in the UK. Throughout the period consumption of all alcoholic drinks continued to increase; spirits by 57 per cent over the four years, from 3.0 proof pints per head in 1971 to 4.7 proof pints in 1974 (a rise over 1973 of 9 per cent), beer by 8 per cent, from 185.2 pints per head to 200.9 pints (a rise in 1974 over 1973 of 2 per cent) and wine by 53 per cent from 7.7 pints to 11.8 pints (an additional 5 per cent in 1974).

Nutrient content of food supplies

The energy value and nutrient content of the total food supplies moving into consumption (shown in Table 3) have this year been calculated using two different sets of nutrient conversion factors. The difference arises almost entirely from the first comprehensive analyses of meat to be made for many years; these resulted in the total values for fat, iron and thiamin being approximately 6 per cent, 11 per cent and 9 per cent lower than before.

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Using the old factors, the nutritional value of the food supplies has changed little since 1971. The estimated energy content of food supplies rose slightly in 1974 and returned to the 1971 level of 3,070 kilocalories per head per day largely because of an increase in the consumption of carbohydrate from sugar and syrups. The energy derived from alcholic drink (which is shown separately in Table 3) has increased by 17 per cent since 1971. These changes were accompanied by slight decreases in the protein, iron, riboflavin, nicotinic acid and vitamin D content of the food supply.

The fatty acid content of total food supplies was estimated for the first time in 1972. The proportions of the total fat intake derived from saturated fatty acids (just under 50 per cent) and polyunsaturated fatty acids (about 10 per cent) showed little change in 1974.

Consumption of food as finally purchased

Consumption per head of some of the major foods measured at the point of final sale is given in Table 6. These foods are included in their ingredient form in the earlier tables: for example, the main ingredients of bread, cakes and biscuits appear in Table 1 as part of the totals shown for flour, sugar and fats. The estimates have been compiled from information used in the preparation of the National Accounts.†

Between 1971 and 1973 total purchases of bread and flour declined, but in 1974 purchases were slightly above the levels of the previous year. Purchases of cakes continued to decrease, but purchases of biscuits rose from 22.1 lb per head in 1971 to 23.0 lb in 1974.

Purchases of unprocessed beef and veal increased from 23.8 lb per head in 1973 to 28.1 lb (weight as purchased by housewives) in 1974, and purchases of pork increased from 11.4 lb per head to 12.2 lb. Between 1973 and 1974 purchases of mutton and lamb and of poultry fell by 1.5 lb per head.

Purchases of canned meat fell from 13 lb per head in 1973 to 12 lb in 1974, about the same level as in 1971. Although purchases of canned and frozen vegetables decreased by 1.4 lb per head in 1974 compared with 1973, total purchases were 6.1 lb more than in 1971.

Purchases of sugar (as such) decreased from 56.7 lb per head in 1971 to 47.8 lb in 1974. Between 1973 and 1974 purchases of chocolate and sugar confectionery fell by 0.6 lb per head to 27.3 lb compared with 25 lb in 1971. Purchases of soft drinks continued their upward trend, rising from 106.2 pints per head in 1973 to 117.5 pints in 1974.

Methodology and assumptions

The figures are all national averages representing not what any particular individual obtains but what, on average, is available to the UK population for consumption. Since they relate to total consumption by the population as a whole they provide the means, not otherwise available, of comparing the overall food position at different periods in time.

To arrive at total food supplies moving into human consumption in the UK, supplies from all sources, that is home production plus imports, are assessed in each year. Deductions are made for exports, non-food uses and waste, and account is taken of changes in measured stocks. No information is available on changes in retail stocks and where information on stock changes held elsewhere is limited, it has to be assumed that such end-year stocks remain constant. In 1974 this gap in our knowledge of changes in supplies beyond our points of measurement is notable in regard to sugar and cereals. Similar problems arose in 1973 in regard to coffee and canned fruit. Average consumption per head is then obtained by dividing the resulting total by the mid-year population. This is the main difference between these estimates and those of the National Food Survey Committee, whose figures represent actual quantities of food entering private households in Great Britain, and which figure largely in the estimates of final consumption shown in Table 6.

This methodology is fairly straightforward, but considerable difficulties are encountered in practice in measuring supplies, ensuring complete coverage, and avoiding duplication. Few problems exist in estimating the amounts of imports going for human consumption since these are well recorded but information on home production comes from a variety of sources, such as agricultural census returns, sample surveys and processors of manufactured foods. When dealing with processed foodstuffs consideration has to be given to the stage in manufacture at which the supply is to be measured: for example as wheat, as flour, or as bread. From experience it has been found that the first stage of processing is the most convenient point at which to measure the product. Thus, in the example given, the supply would be the quantity of flour produced. The figures therefore represent disappearance into distribution rather than final consumption.

Wherever possible, attempts are made to aggregate commodities in appropriate units so that sub-totals can be shown; for example in the Meat group the total is shown in terms of edible weight. Composite items are marked by an asterisk and the factors for these may vary from year to year depending on changes in the composition or proportion of the various foods included. Those items affected are beef-bone in, mutton and lamb and pork and the overall effect is to reduce the amount of edible weight in proportion to product weight by 1.8 lb per head in 1974. The only aggregates for all foods are those given in terms of energy value (kilocalories) and nutrient content in Tables 3 and 4. The conversion factors used are reviewed periodically in the light of up-to-date information and those used for 1974 are given in Table 5. Where such changes have been made in 1974, the 1973 factor is shown in brackets.

† *National Accounts Statistics: Sources and Methods*, ed. Rita Maurice, HMSO, 1968.

Regional selective assistance

The table below shows on a regional basis the applications received and offers made under Section 7 of the Industry Act 1972 for the months indicated.

JUNE 1975

	Applications received	Offers made	
	No.	No.	Value (£000)
Scotland	14	9	348
Wales	11	12	1,613
Northern	20	20	906
North West	14	12	1,063
Yorkshire/Humberside	19	7	78
South West	5	6	199
East Midlands	8	5	203
West Midlands	—	—	—
Total	91	71	4,410

JULY 1975

	Applications received	Offers made	
	No.	No.	Value (£000)
Scotland	15	17	2,326
Wales	9	8	1,187
Northern	14	19	983
North West	14	34	827
Yorkshire/Humberside	16	11	331
South West	3	5	97
East Midlands	—	3	9
West Midlands	—	—	—
Total	71	97	5,760

'Economic Progress Report' for October

Changes in the organisation of the Treasury at official level are described in the October issue of *Economic Progress Report*, now published. The changes will come into effect shortly following a recent internal management review. A chart showing the new organisation is included.

This month's *Economic Progress Report* also includes an article on regional unemployment in Britain and the regular features 'Monthly economic assessment' and 'Economic indicators'.

Economic Progress Report is prepared by the Treasury Information Division. Copies are available free from Circulation Section (H), Central Office of Information, Hercules Road, London SE1 7DU.

Made-up clothing: orders and deliveries

In the three months ended June 1975, deliveries by the clothing industry were provisionally estimated to have been 9 per cent lower than in the preceding three months. Net new orders were 6 per cent lower and orders-on-hand at the end of June were 3 per cent above the end March 1975 level. (These comparisons are based on the seasonally adjusted series in the accompanying table.)

In using the index numbers shown in the table, it should be borne in mind that, when price increases are large, the various problems associated with constructing a constant value series become more acute. Because of these difficulties the relative accuracy of the estimates is likely to have been reduced in recent months.

Made-up clothing
Index numbers of total orders and deliveries

	Orders-on-hand (end period)		Net new orders		Deliveries	
	December 1969 = 100		Average 1970 Deliveries = 100		Average 1970 Deliveries = 100	
1968	107		100		97	
1969	100		97		97	
1970	103		102		100	
1971	119		108		104	
1972	125		110		109	
1973	155		123		117	
1974	146		115		115	
	Actual	Seasonally adjusted	Actual	Seasonally adjusted	Actual	Seasonally adjusted
1973 3rd quarter	150	158	102	118	115	117
4th quarter	155	155	129	117	120	118
1974 1st quarter	164	171	111	116	107	106
2nd quarter	171	156	122	115	113	115
3rd quarter	137	147	96	110	115	118
4th quarter	146	149	130	119	123	120
1975 1st quarter	140	146	121	129	121	124
2nd quarter p	166	151	133	121	114	113
1973 July	161	157	90	117	111	117
August	157	161	97	122	103	116
September	150	158	118	113	130	118
October	159	159	165	129	137	120
November	164	154	141	115	128	120
December	155	155	81	108	95	115
1974 January	166	165	96	111	92	106
February	169	174	122	130	108	103
March	164	171	116	106	122	108
April	171	179	133	130	115	115
May	182	164	134	112	108	112
June	171	156	100	103	117	119
July	156	155	85	111	112	117
August	143	150	86	108	105	119
September	137	147	116	111	129	117
October	143	146	150	117	141	123
November	153	146	154	125	130	122
December	146	149	86	113	96	116
1975 January	144	144	106	123	108	125
February	140	144	126	134	130	124
March	140	146	129	130	125	122
April p	149	156	135	120	119	108
May p	168	152	147	123	109	114
June p	166	151	116	120	114	117

Detailed statistics of UK overseas trade

Each month the Overseas Trade Statistics give a considerable amount of detail about United Kingdom imports, exports of commodities and, for many of them the most important countries. The information in these statistics is a summary of much more detailed information. This is derived from declarations made by traders to HM Customs and Excise under the descriptions in the Tariff and Overseas Trade Classification (which has over 11,000 commodity headings); there are 199 specified countries.

The fully detailed information is not published on a monthly basis but, when circumstances allow, HM Customs and Excise can supply detailed information about trade under individual descriptions of the Tariff and Overseas Trade Classsification and with individual countries or through United Kingdom ports, either for particular months or for longer periods. A charge is made which covers the cost of the service.

Applications should be made to the Statistical Office, Bill of Entry Section, HM Customs and Excise, 27 Victoria Avenue; Southend-on-Sea, Essex, SS2 6AL (Tel. Southend (0702) 49421, ext. 316 or 323 for Imports, or ext. 314 or 315 for Exports; Telex 99112 CUSEX Southend).

Statistics on retail trading in London and the South East

A statistical report on retail trading in London and the South East* is the seventh of 10 area analyses of information from the 1971 Census of Distribution and Other Services to be issued by the Business Statistics Office.

The statistics, covering Bedfordshire, Berkshire, Buckinghamshire, Dorset (Poole MB only), Essex, Greater London, Hampshire, Hertfordshire, Kent, Oxfordshire, Surrey, East and West Sussex and the Isle of Wight, are based on the situation as it was in 1971 and do not take account of the changes under the Local Government Act 1972. They are concerned mainly with retail trading but include some information on hairdressing and footwear repairing. Detailed tables show retail outlets by kind of business and where possible, form of organisation for all towns in London and the South East with a population of 20,000 or more and where appropriate also for the town centres. There are total figures for each county and for the towns and rural areas within each county.

More detailed information for rural areas and for towns with smaller populations is available in a set of 162 special unpublished tables available at £1.25 plus VAT for up to five tables and 25p plus VAT for each additional table direct from the Business Statistics Office (Census of Distribution), Cardiff Road, Newport, Gwent NPT 1XG (tel. 0633 56111, ext 2000) from whom further information about the Census may also be obtained.

* Business Monitor SD 17 available price £4.80 from Her Majesty's Stationery Office bookshops, through booksellers or by mail order direct from HMSO, PO Box 569, London SE1 9NH.

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Index to statistics and organisational information published regularly in 'Trade and Industry'

A = annually M = monthly Q = quarterly 6M = every six months.

Title	Last published
Air transport: trade by air (6M)	16 May 1975
Balance of payments:	
current account (M)	19 Sept. 1975
trends in invisible transactions (Q)	24 Oct. 1974
(*see also* Overseas trade of the UK)	
Bankruptcies *see* Insolvencies	
Business names and limited partnerships (A)	30 Jan. 1975
Capital expenditure: manufacturing, distributive and service industries (Q)	3 Oct. 1975
Catering trades turnover (M)	19 Sept. 1975
Census of production (A)	19 Dec. 1974
(amendment)	16 Jan. 1975
Chemicals industry activity (Q)	26 Sept. 1975
Companies:	
acquisitions and mergers (Q)	15 Aug. 1975
insolvencies (Q)	1 Aug. 1975
liquidity (Q)	12 Sept. 1975
new registrations:	
Gt. Britain (M)	19 Sept. 1975
N. Ireland (M)	3 Oct. 1975
Construction work overseas (A)	22 Aug. 1975
EEC economic indicators	3 Oct. 1975
Energy trends (M)	3 Oct. 1975
Engineering industries: sales and orders (M)	26 Sept. 1975
Film industry	
British Film Fund Agency returns (M)	This week
cinema admissions and takings (M)	3 Oct. 1975
overseas payments and earnings (A)	8 Aug. 1975
registrations of films (A)	6 Feb. 1975
Food:	
consumption levels (6M)	This week
household consumption (Q)	3 Oct. 1975
Footwear industry: production, orders and deliveries (M)	19 Sept. 1975
Foreign exchange: official reserves (M)	This week
Foreign trade: industrial countries' production and trade (Q)	8 Aug. 1975
(*see also* Overseas trade of the UK)	
Hire-purchase business (M)	This week
Industrial production:	
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N. Ireland index (M)	26 Sept. 1975
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(amendment)	21 Mar. 1975
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average prices of selected commodities (A)	13 June 1975
index numbers (M)	19 Sept. 1975

Departmental organisations, etc.

Subjects	Last published
British commercial representations overseas	3 Oct. 1975
Customs notices of interest to exporters	This week
ECGD local offices	This week
Guide to Departments	11 July 1975
Official Receivers' offices	3 Oct. 1975
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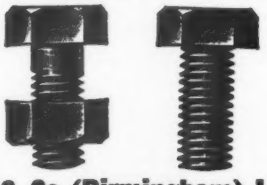

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Northern: Mr H. G. Roberts, Andrews House, Gallowgate, Newcastle upon Tyne NEI 4TB (Tel: 27575 – Telex 53277).

Yorkshire & Humberside: Mr T. Cooban, City House, Leeds LS1 4JG (Tel: 38232 – Telex Econ Plan 55472 – message to be prefixed for COI).

East Midland: To be appointed, Cranbrook House, Cranbrook Street, Nottingham NG1 1EW (Tel: 46121 – Telex 37572).

Eastern: Mr A. A. McLoughlin, Block D, Government Buildings, Brooklands Avenue, Cambridge CB2 2DF (Tel: 58911 – Telex 81187).

London & South Eastern*: Mr R. Dean, OBE, St. Christopher House Annexe, Sumner Street, London, SE1 (Tel: 01-928 2371 – Telex 918881 message to be prefixed for London Region).

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Midland: Mr D. C. Boyd, Five Ways House, Islington Row, Birmingham B15 1SH (Tel: 021-643 8191 – Telex 33376).
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Ulster Office: Northern Ireland Information Service, Stormont Castle, Belfast BT4 3ST (Tel: 63011).

Welsh Office: Mr Brian Evans, Director, Welsh Office Information Division, Oxford House, Hills Street, Cardiff CF1 2XG (Tel: 44171 – Telex 49327).

* National companies in central London, and particularly those with UK subsidiaries or branches, which require overseas publicity should consult Industrial Section at COI Headquarters: Mr E. Turnbull, Central Office of Information, Hercules Road, London SE1 7DU (Tel: 01-938 2345 ext. 271 – Telex 915444).

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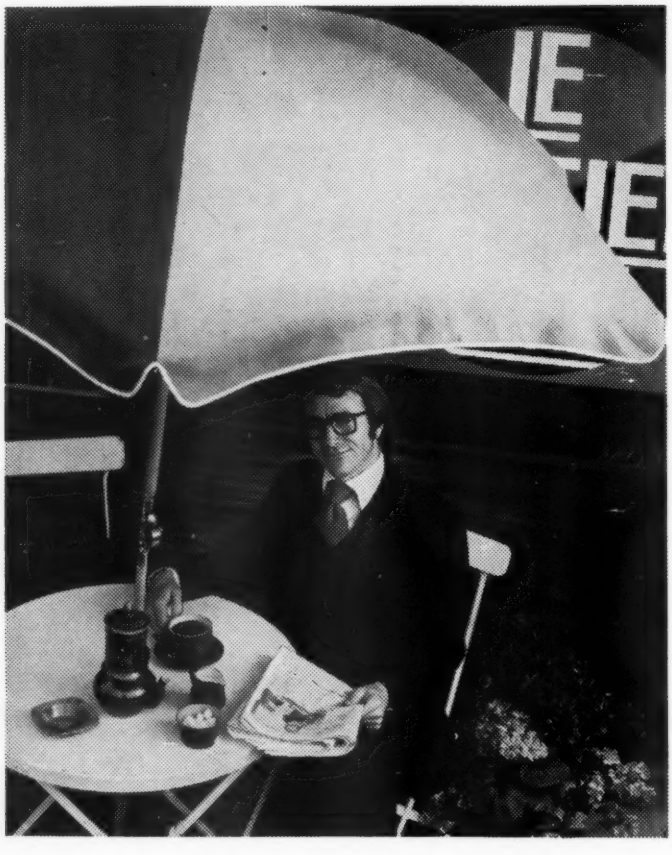

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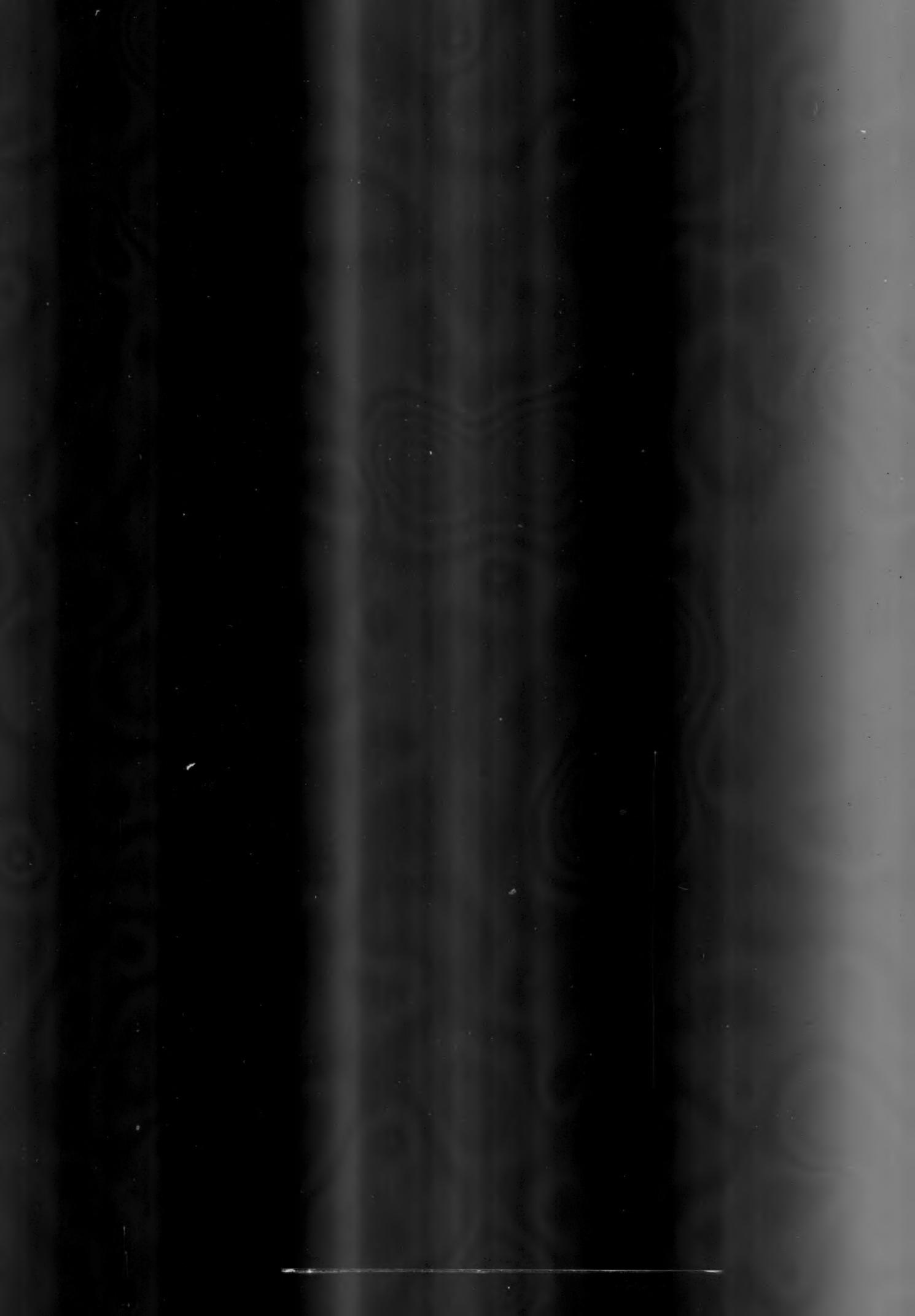
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